

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Wednesday December 24 1986

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No. 30,118

Winnipeg's  
lost days  
of glory, Page 3

## World news

### Record for Mazda profits plunge 71%

**MAZDA MOTOR**, Japan's third largest motor manufacturer, showed a 71.4 per cent drop to ¥20.3bn (\$124m) in pre-tax profits in the year to October 31, 1986 because of the impact of high yen on export earnings. Page 13

**EXXON CORPORATION**, the world's largest oil company, is selling its nuclear fuel business, Exxon Nuclear Company, to Kraftwerk Union of West Germany. Page 13

**WALL STREET:** The Dow Jones industrial average closed 11.81 down at 1,914.37. Page 25

**LONDON:** Small gains were seen, despite doubts about the success of the Opec pricing agreement, as US interest boosted blue chips. The FT Ordinary index firm 0.8 to 1,294.7 and the FTSE 100 closed 0.7 higher at 1,080.8. Page 26

**TOKYO:** Growing concern over crude oil prices added overnight preparation for a march through the city centre to City Hall but police turned them back and university officials persuaded the demonstrators not to attempt a further march. Page 26

**Elsewhere** several thousand students were again on the streets of Shanghai but increasing official warnings against demonstrations seemed to have kept many students away. A significant editorial in the People's Daily, the main Communist party newspaper, warned against radical action that could threaten the country's stability. During the past five days up to 20,000 students have been involved in demonstrations in Shanghai. Western diplomats in Peking said the students were adopting a dangerous course by staging further demonstrations after the government had indicated clearly in the People's Daily that it believed the protests had gone far enough. Page 26

**COFFEE:** The March position fell 25 to a four-month low of \$1,742.50 a tonne as uncertainty over Brazil's export terms continued to depress the London futures market. Page 18

**GOLD** fell \$4.50 to \$389.25 on the London market. It also fell in Zurich to \$389.25 from \$394.25. Page 18

**DOLLAR** closed in New York at DM 1.9698; SF 1.8397; FF 6.4735; and Y182.573. It fell in London to DM 1.9675; SF 1.8370; FF 6.4700; and Y182.573. On the Bank of England figures the dollar's exchange rate index fell 108.9 to 108.8. Page 19

**STERLING** closed in New York at \$1.4580. It rose to \$1.4535 (\$1.4620) in London. It also rose to DM 2.6375 (DM 2.6250); SF 2.4650 (FF 9.7000); Y218.30 (Y218.50), but fell to SF 2.3850 (SF 2.3825). The pound's exchange rate index rose to 88.6 from 88.5. Page 19

**AKZO**, the Dutch chemicals and fibres group, has acquired the blood bank reagents and immuno-chemicals businesses of the US company Cooper Technicon from its parent Cooper Development Company in California. Page 13

**AUSTRALIAN** Coronet group is making unconditional bids for the gold-producing Carr Boyd Minerals and its associate Hill Minerals which value the two companies at around \$597.5m (\$US65m) and \$355.1m respectively. Page 13

**GREYHOUND** lines, the largest US passenger bus network, is being sold to an investors group for \$350m after a union rejection of Greyhound demands for wage concessions. Page 13

**OVENSTONE** Investments, the South African fishing company, fell into the red in the six months to September 30, 1986. Page 13

**FINNISH** state-owned chemicals and fertiliser group, Kemira OY, is to participate in a newly formed fertiliser subsidiary of Superfos, the troubled Danish-based diversified chemicals company. Page 13

**EEC** transport ministers decided at The Hague to press ahead with plans for an international network of high-speed trains which could help whisk passengers from Paris to London in just over three hours by the mid-1990s.

## 'I'd rather spend Christmas anywhere in the world but here'

**REINA BUREIRY** almost choked on her tears when Father Christmas stopped her in a department store in London last year. He asked where she lived so he could come sliding down her chimney on Christmas Eve.

"I come from Beirut," she answered. "Oh," he exclaimed, "I can't come to Beirut." Then realising the effect of his words on the eight-year-old, Santa quickly reassured Reina he would see her while she was still in London. "I was going to cry, but then I felt a little bit better," she recalled.

Born to a Christian mother and Moslem father, Reina and her sister Layal no longer have any illusions. "Papa Noel comes from Europe or America and they may kidnap him," Reina rationalises. "There are too many bombs here and he doesn't like thieves any-

**Nora Boustany** in Beirut on a city where Christmas offers little promise of peace

extra funds should go to the homeless.

"How can we celebrate?" wailed an elderly woman from Maghousheh looking around a barren room lined with mattresses. "They have destroyed our houses. Look at us, we are like chickens living on top of one another."

Some families and even political groups are defiant. Mrs Leila Khalaf, a mother of three, will not give up. Rushing back from a Christmas party for women volunteers at the American University Hospital to organise Christmas carols she and her family will be participating in, Mrs Khalaf almost childishly hangs

on to her Christmas pattern. "If we don't keep doing these things, we will be devoured by the mountains of garbage and their ugly fumes. This is my country and this is where I belong. We have always tried to have a nice Christmas, somehow, no matter how simple."

"Since the war began, there is an element of sadness in every Christmas. You cannot help thinking that people are dying, families around you are getting poorer," she observes with melancholy. "Life is what you make it, but believe me, my faith wavers sometimes. How long can you stay in your bubble and shut yourself in, detached from the sirens of ambulances racing outside?"

War continues in Lebanon but for some unsung heroes the spirit of Christmas lives on. Mr George Saab, 26, known to his friends as

"giraffe" because of his towering height, is a Lebanese Red Cross worker who helps organize the activities of 1500 volunteers. "For Christmas Eve, I don't set schedules, people just sign up. I can tell you what it is like. Even while on duty I feel I am spending and living a true Christmas, because I am helping others on the night Christ was born. This has a very special meaning for me."

"There is an inner kind of peace. But driving along in an ambulance with flashy lights outside, one wonders how many really know where we are or what we are doing. We sometimes feel lonely in our mission, there is too much indifference. Everybody worries about politics here but not about its effect."

Continued on Page 12  
Background and analysis, Page 11

### New president

Afghan Communist Party leader Najibullah became president in place of Babrak Karmal who resigned last month, the official Kabul radio announced.

### Bomber sentenced

Helmut Pohl, 43, a member of West Germany's Red Army Faction terrorist group, was sentenced to life imprisonment for attempted murder in the 1981 bombing of Raminstein US air base. Stefan Frey, 26, an accomplice, received four and a half years.

### Truce hopes fade

Hopes of a Christmas truce between rebels and security forces in Sri Lanka were dashed when 16 Tamil separatists died in a clash between rival guerrilla groups and an explosion plunged the island's northern region into darkness.

### Beirut hostage pledge

A Beirut Moslem extremist group delivered a statement to two leading newspapers there promising to free one of two French hostages it is holding as a seasonal gesture.

### Insider dealing charge

A summons on charges of insider dealing will be issued against a UK civil servant alleging that he used information about whether a series of takeovers would be referred to the Monopolies and Mergers Commission. Page 7

### Israel told to explain

Italian Prime Minister Bettino Craxi said he would insist on satisfactory responses from Israel to questions concerning Israeli nuclear technician Mordechai Vanunu, now facing espionage charges in Jerusalem, who says that he was abducted in Rome.

### Chicago blackout

A power blackout hit large sections of Chicago, closing several major buildings and tying up morning rush hour traffic. The city traffic court, America's busiest, shut its doors for the first time.

### Turkish verdicts

An Istanbul military court sentenced 204 former senior members of the suspended left-wing union confederation Disk to long prison terms for 'organising to establish the supremacy of one social class over another'. All remain free pending appeal.

### Congressmen barred

South Africa has barred two groups of US congressmen who planned to visit the country in January. Foreign Minister Fik Botha said only those who did not support tough sanctions would be welcome.

### Peru police jailed

Eight Peruvian policemen who shot dead three Maoist guerrilla suspects after a mass jailbreak in Ayacucho in 1982 were jailed for terms ranging from two to 20 years. The victims were dragged from hospital beds.

### Full speed ahead

EEC transport ministers decided at The Hague to press ahead with plans for an international network of high-speed trains which could help whisk passengers from Paris to London in just over three hours by the mid-1990s.

## Protests spread as students take to streets of Peking

**BY ROBERT THOMSON IN SHANGHAI**

**STUDENT UNREST** in China spread to the capital Peking yesterday when students from the elite Qinghua Science University took to the streets to demand democracy and freedom.

The Peking students demanded a multi-party system of government and the elimination of state corruption in some of the clearest statements so far of what the students want.

Elsewhere several thousand students were again on the streets of Shanghai but increasing official warnings against demonstrations seemed to have kept many students away. A significant editorial in the People's Daily, the main Communist party newspaper, warned against radical action that could threaten the country's stability. During the past five days up to 20,000 students have been involved in demonstrations in Shanghai. Western diplomats in Peking said the students were adopting a dangerous course by staging further demonstrations after the government had indicated clearly in the People's Daily that it believed the protests had gone far enough.

The paper said that the eight years since China's reform programme began had been the best since the Communist revolution in 1949 and the country had paid a high price to win stability.

"The youth are our hope and future. We have a duty to help them tell right from wrong," the paper said.

About 2,000 students from the city's Tsingji University massed in preparation for a march through the city centre to City Hall but police turned them back and university officials persuaded the demonstrators not to attempt a further march.

Although students from Shanghai's Communications University and from the agriculture and maritime colleges were still demonstrating last night, most attention switched to Peking where about 4,000 students gathered on the lawn of the Qinghua university and sang the Internationale and China's national anthem.

About 1,000 then marched through the streets to two other universities waving banners demanding freedom and democracy.

## Pricing problems in rush for St Gobain

**BUYERS** swamped the Paris bourse yesterday in search of shares in St Gobain, the largest French glass manufacturer and the first company in the French government's ambitious privatisation programme. Demand for the shares was so heavy, and sellers so scarce, that market twice failed in its attempts to fix a price.

The bourse will try again today to fix a price, starting at FF 365 (\$84), already a premium of 14.5 per cent to the offer price of FF 310 (\$70). The clamour surrounding St Gobain brought trading to a temporary halt on the other pitches of the elegant 19th century Palais Brongniart, which houses the French stock exchange.

On the bourse, buying and selling orders are gathered centrally and the opening price is fixed at a level where most shares will change hands. Dealers are halted if the price moves too far from the previous close, but may open at a higher level in the same trading session.

Yesterday, dealers believe a firing could have been reached within the bourse regulations at FF 360 to FF 370, but government officials were anxious to avoid too high an opening price, which might then fall the next day. The decision not to fix a quotation was not forced by bourse regulations, officials said, but was reached after consultations

## Paris rail dispute deepens

**By Our Paris Correspondent**

**FRANCES** striking train drivers yesterday hardened their position after the breakdown of talks with the management of the national railways SNCF. Six hours of talks ended early yesterday without progress on next year's pay rates.

The Government of Mr Jacques Chirac, however, remained firm yesterday in the face of the spreading public sector transport strikes.

Mr Hervé de Charvot, Minister in charge of public sector administration, warned that the Government would not "yield to unjustified demands". It was necessary to keep pay rises low in order to give priority to the fight against unemployment, he said.

The strikes, which brought the intervention of riot police in some stations yesterday, have paralysed rail traffic throughout France.

Road traffic has come to a virtual standstill around Paris as drivers take to their cars in an attempt to beat the paralysed strike on the Metro system. By lunchtime yesterday, Paris radio taxis were fully booked for the whole of today.

The disruption has worried some trade union leaders, who fear that it may alienate public support from the strikers.

Continued on Page 12

## Sakharov calls for release of Soviet dissidents

**BY PATRICK COCKBURN IN MOSCOW**

**DR ANDREI SAKHAROV**, the prominent Soviet dissident, returned to Moscow yesterday after almost seven years' internal exile and called for the release of all Soviet prisoners of conscience.

He has evidently been freed by the Soviet authorities in an attempt to defuse the issue of human rights in the Soviet Union.

At a Moscow press conference, Mr Yuri Kashev, head of the Soviet delegation at the Conference on Security and Co-operation in Europe (CSCE) in Vienna said that the release of Dr Sakharov was the result of greater democracy within the Soviet Union and not external pressure.

Speaking at the railway station in Moscow after an overnight train journey from the city of Gorki to the east of the capital where he has been since 1980, Dr Sakharov said: "It is impermissible for our country to have prisoners of conscience and people who suffer for their convictions."

He said he would do everything he could to have this stopped.

Dr Sakharov said that he and his wife Yelena Bonner were completely isolated in Gorki until a telephone was suddenly installed in their apartment last week.

On current Soviet politics Dr Sakharov was more circumspect. He said he had not "sorted myself out yet", but he did say that he thought that Afghanistan was the least healthy part of Soviet foreign policy. He commended Mr Gorbachev's policy of more openness as a "great force."

Asked at his press conference about Dr Sakharov's comment yesterday morning on his arrival at

## Warner comes to Cannon's rescue

**WARNER** Communications yesterday rescued the financially troubled Cannon Group by enabling it to meet a £33.3m (\$76m) debt to the Bond Corporation of Australia. In return Warner will gain video rights to films and the right to buy a 50 per cent stake in Cannon's European cinemas.

Warner has agreed to purchase convertible preferred Cannon stock and secured notes for \$30m in cash. Until the deal is closed, probably in March or April, Warner has guaranteed a \$50m loan by Cannon's bank to pay off debts to the Bond Corporation.

Warner Brothers yesterday also paid \$25m in cash to Cannon for the US video rights to more than 20 Cannon films. As a result, the Bond Corporation yesterday received the \$53.3m outstanding from Cannon's £53.3m purchase in May of the former cinema interests of Thorn EMI.

The agreement also gives Warner the right for two years to buy 50 per cent of Cannon's European cinemas - 625 screens in the UK, Netherlands and Italy - for \$50m.

The cinema agreement is based on an estimated value of \$18m, including existing debt. The precise percentage could vary depending on final valuations.

Half the purchase price for the 50 per cent cinema stake can be paid by the secured notes. The other half can be paid for either by the preferred stock or by a short term note.

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Bond to spin off media interests, Page 13

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# Oppenheimer

## Latest performance

Two years to 1st December

Trust	Percentage increase in value	Position in sector
European	+166.0	3rd
Pacific	+80.8	6th
Worldwide Recovery	+76.8	6th
International	+76.8	7th
UK	+72.0	21st
Income & Growth	+62.3	7th
Practical	+60.0	1st
Japan	+52.1	29th
High Income	+49.9	8th
American	+31.0	17th

Source: Planned Dealings, after 10 UK home reinvested, 1/12/86.

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OVERSEAS NEWS

S Africa denies visas to US congressmen

By Anthony Robinson in Johannesburg
PRETORIA'S bitterness against US congressional supporters of sanctions has led to the surface with a statement by Mr Pik Botha...

The two groups planned to visit the country to assess the impact of sanctions... One of the groups, composed of members of the foreign affairs sub-committee of the House of Representatives...

Mr Botha was speaking on his return from Swaziland where he met Mr Sotji Dlamini, the Swazi Prime Minister, to discuss the recent cross-border raid by South African security forces...

Afghanistan finds Christmas an uneasy reminder

Mohammed Aftab on the eighth anniversary of the Soviet intervention



UNLIKE the rest of the world, the Soviet Union and its troops are celebrating a different kind of anniversary today: the eighth anniversary of the massive Soviet military occupation of Afghanistan.

In spite of seven years of fighting against anti-Communist guerrillas in the landlocked West Asian Moslem country, the estimated 115,000 Soviet troops have failed to douse the widespread insurgency...

(Chad) was installed in his place. Mr Karmal was stripped of all his remaining posts, including that of president on November 21. Mr Karmal was considered more of a nationalist politician, while his successor is a Soviet military intelligence agent, senior Western diplomats in Kabul say.

Mr Karmal's removal has led to intensified factional fighting in the Communist Party between supporters and opponents of Mr Ullah, who has to depend a great deal on the political connections and help of the powerful Interior Minister Gulab Zoi...

(Islamic holy warriors) have achieved some recent success with their more effective weapons against the Soviet bombers and Mi-8 and Mi-24 gunship helicopters.

They previously had virtually no defence against devastating Soviet air raids, but the guerrillas are now reportedly using American-made Stinger missiles, British-made Blowpipe missiles and Swiss-made Oerlikon anti-aircraft guns to ward off Soviet aircraft.

first 10 days of December, the guerrillas shot down five helicopters and around Kabul. It included one specially-made Soviet surveillance helicopter which used to fly all night over the capital of Kabul, to warn Soviet forces against guerrilla raids over the city.

Since then there have been very few surveillance helicopter flights. But the guerrillas' successes have prompted the Soviets to launch air raids against civilian targets, according to Western diplomats. They report at least 170 dead in two attacks on Kandahar and one at Herat, close to the Iranian border.

The guerrillas have brought the war to major cities during the past year. The capital of Kabul, the second largest city of Kandahar in the south east (where a fierce battle this month has left 300 Afghan troops dead and 400 injured), Herat in the south west and Baghlan in the north, all experienced nightly rebel rocket raids on military targets including Soviet encampments, leaving hundreds dead and widespread devastation.

Isfahabad dialogue on an Afghan settlement initiated in 1982, was deadlocked in August this year over a timetable for withdrawal of 115,000 Soviet troops and the machinery to monitor their withdrawals, and at the same time ensure that Mujahideen no longer receive military assistance from the West.

The Geneva talks between Islamabad and Kabul are scheduled to resume on February 11, but top officials involved in the talks say: "We have no idea on what date the dialogue will open, move forward, or close."

Mr Abdul Sattar, the Pakistani Foreign Secretary, had a three-hour meeting with the Soviet Foreign Minister Eduard Shevardnadze in Moscow in mid-November and discussed the Afghan problem. Mr Shevardnadze assured Mr Sattar that "the Soviet Union would like the earliest settlement of the Afghanistan question."

At the same time, the United Nations - supervised Kabul-

Iran vows to strike back at Iraqi cities

Iran's War Information Headquarters said yesterday reprisal shelling of Iraqi cities would continue "for as long as Iraq continues to attack Iranian cities. Reprisal reports from cities in Iraq that its air force strikes residential areas, Iran's official news agency, Irna, said that at least 15 people were killed yesterday in western city of Esfahan in addition to the 200 civilians killed in the area over the past two days.

Philippine proposals

Philippine officials stressed rebels proposed forming a transitional government and closing US bases during preliminary talks yesterday to end the 17-year Communist insurgency, AP writes from Manila. Each side agreed to submit comments on the other's proposals on January 3.

NZ withdrawal

Singapore was "comfortable" with New Zealand's decision to withdraw its troops within three years, a spokesman said yesterday. New Zealand Prime Minister David Lange announced earlier that the 740-strong force would be used to bolster home defences.

Canberra gives ultimatum to car producers

BY CHRIS SHEWELL IN SYDNEY

AUSTRALIA'S five car producers have been told by the Government to make specific commitments either to increase output of their low-volume models through exports or to stop making them altogether.

The Ministry for Industry, Technology and Commerce order is backed with the threat that valuable import concessions will otherwise be withdrawn.

The move is designed to step up implementation of the May 1984 car industry rationalisation scheme, which aims in part to cut the number of models produced in Australia.

Figures released this week showed November Australia passenger car sales down 27.5 per cent on the same month last year, and sales for 1986 are expected to be down more than one-fifth on 1985. Producers

blame high interest rates and the Government's taxation policy - specifically a new fringe benefits tax.

This week's order warns producers that if they do not make the commitments, existing law concessions allowing duty-free entry will be withdrawn from some or all of the imported components used in low-volume models.

When a satisfactory commitment was received, withdrawal of concessions would be deferred, the Government said.

For its part, the Government, under its economic strategy, wants to see a ceiling on pay increases nationally of 6.5 per cent. It is understood to have proposed to the commission a general wage rise of A\$10 (\$2.70) a week and a second tier rise of up to 3 per cent.

Lebanese group pledges to release French hostage

A LEBANESE underground group yesterday pledged to release a French hostage as a Christmas goodwill gesture, Reuters reports from Beirut.

"In the spirit of Christmas, we announce that we shall soon release one of the French hostages as a new gesture," he Revolutionary Justice Organisation spokesman said. A statement delivered to two Beirut newspapers and an international news agency.

The statement said its gesture followed mediation by Iran, Syria and Algeria. It referred to signs of change in behaviour by the French Government.

French and Iranian officials are currently trying to resolve a financial dispute over a billion-dollar loan to France by Iran.

Unanimous in Togo

Togo President Gnassingbe Eyadema has been elected for another seven years, writes Reuters from Lomé. Officials said the single candidate won 99.98 per cent of the vote in a 98 per cent turnout in Sunday's election.

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Wage indexation system brought to an end

BY CHRIS SHEWELL IN SYDNEY

AUSTRALIA'S Arbitration Commission, the legal authority which settles national pay claims, yesterday confirmed the end of the wage indexation and paved the way for pay negotiations under a "two-tier" system.

In recent years unions have expected, but latterly rarely received, wage increases which matched price rises. Under the two-tier system, workers are likely to receive a minimum wage increase, and extra rises are to be negotiated between employers and unions.

The percentage increases which will emerge from the new system are to be negotiated and argued before the commission next month. Yesterday's announcement put a formal end to previous arrangements.

In the process, however, the commission rejected employers' requests for an end to the controversial "holiday leave loading" scheme, under which workers on holiday receive 17.5 per cent more than their basic pay in lieu of the overtime they miss.

EUROPEAN NEWS

Polish underground press suffers fines and confiscations

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S underground publishers, the backbone of the banned Solidarity trade union movement, are suffering severe problems after the authorities recently switched away from imprisoning activists to a policy of fines and confiscations of private cars.

Costs of paper are rising, and the prices of the books put out - which range from Polish living authors to Soviet dissidents to classics of European political thought neglected or banned by officialdom - are going up with them.

Sweden reports SKr 700m current account surplus

BY KEVIN DONE IN STOCKHOLM

SWEDEN ACHIEVED a surplus on the current account of the balance of payments in October of SKr 700m (£71m) compared with a deficit of SKr 800m a year earlier, according to the Riksbank, the Swedish central bank.

Single European Act threatened with delay by Athens

BY QUENTIN PEEL IN BRUSSELS

LONG-AWAITED reforms to the Treaty of Rome, designed to streamline the constitution of the European Communities, may be held up for a month beyond January 1, because of a delay in ratification by the Greek parliament.

Last-minute objections in both West Germany and Ireland have been overcome, to ensure that the January 1 deadline is met for the new system to take effect, and a whole host of decisions have been rushed through the Council of Ministers to ensure that they do not

have to comply with the new procedure. Now the Greek problem may mean that the Act can only take effect from February 1, delaying implementation of all the procedures.

The formal documents have to be delivered to the Italian Government in Rome - keeper of the Treaty of Rome - in order for the Single Act to take effect from the first day of the following month.

Officials in Brussels have been rushing decisions through the Council of Ministers to ensure that they do not get caught up in new legal procedures, requiring extended consultation with the European Parliament.

—legal ratification of agreements reached at a political level - went through the committee of permanent representatives on Monday in order to come into effect on January 1. The prospect of the Single Act coming into force, and bringing with it more majority voting, has also helped the British presidency have 48 measures approved to remove internal market barriers by the year-end a record level.

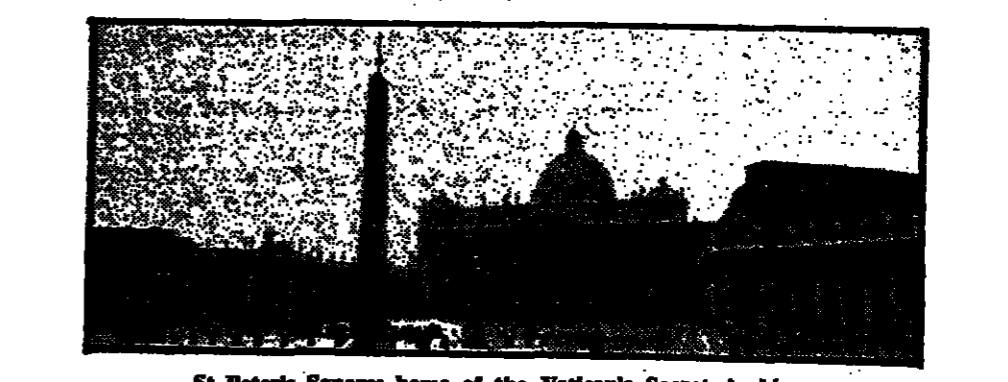
History provides Vatican with business opportunity

BY ALAN FRIEDMAN IN MILAN

IN THE bunker-like recesses of the Secret Archives of the Vatican one feels a chill. The lighting is poor, the cold air is filled with the smell of parchment and manuscripts which have been rotting quietly for the past 500 years.

Down in the subterranean caverns of the archives, one is hurried past ribbon-tied volumes of hand-scripted parchments and scrolls. On and on: here is a thick set of yellowed Constitutional Acts, 1686, a little further are treatises and histories going back to the 14th century.

seals will not only be available in reproductions the world over, but the Vatican will make money from the venture.



St Peter's Square: home of the Vatican's Secret Archives

The so-called Single European Act, which includes measures for more majority voting by the 12 member states, more powers for the European Parliament, and closer political co-operation on foreign policy issues, is supposed to be approved by all the national parliaments by the end of the year.

Some of the most fabulous treasures to be found in the secret archives are on the floor above the library stacks. Here Cardinal Stickler removes felt covers from glass casings to reveal the world's largest collection of solid gold seals, affixed to documents which go back to the 12th century and ranging from a perfectly preserved and beautifully crafted seal attached to an order from Frederick Barbarossa to coronation seals for the Bourbons, the Hapsburgs, for Philip IV of Spain (Philip III—Dei Gratia Hispaniarum) and Louis XIV.

The deal worked out between Mr Alzarak and his Eminence is a highly unusual way of raising funds for the Vatican. Mr Alzarak's master holding company, called Zelig (named after the eponymous film made by Woody Allen), is to set up a subsidiary to be called Zelig Mint.

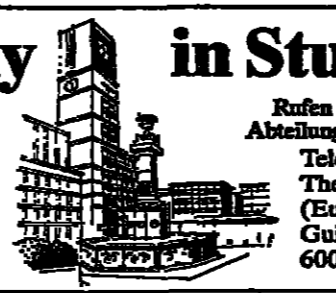
reproduce in limited editions of 10,000 each some 81 of these iconographic treasures.

market price of the gold plus a 25 per cent premium.

The idea is for a secondary market to be created for the Vatican's seal reproductions. "Some people will buy them for historic and aesthetic reasons. Others will hold on to them and then sell at a profit in a few years," beamed Mr Alzarak, a smiling Cardinal Stickler looking on.

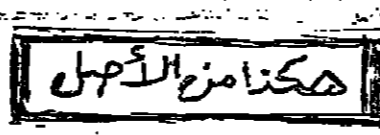
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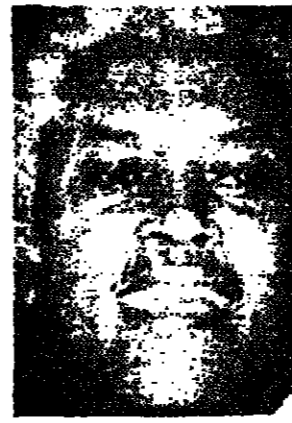
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AMERICAN NEWS

Canute James profiles A. N. R. Robinson, spectacular victor in the Trinidad election

Caribbean Man with a mission to reform



A. N. R. Robinson: no shortage of experience

OPPOSITION parties in Trinidad, particularly the PNM, have had a sorry record in attempts to defeat the People's National Movement in a general election.

He was a founding member of the PNM and had become deputy political leader of the party and Finance Minister when he resigned in 1970.

foreign participation in the economy is central to Mr Robinson's plans to correct this through new investments and planned investment of several big state companies.

suited to the job. Besides his experience in government, Mr Robinson holds an MA from St John's College, Oxford, a bachelor of law from London University and barrister at law from the Inner Temple, London.

W German parties catch a Christmas chill

By David Marsh in Bonn

CHRISTMAS has not been kind this year to West Germany's ruling centre-right political parties. Both Chancellor Helmut Kohl's Conservative Christian Democratic Union (CDU) party, and the junior coalition partner, the liberal Free Democrats (FDP), complain that the post has brought fewer cheques than hoped for from sympathisers in industry and commerce.

With the January 25 general election less than a month away, all the West German parties have been making an all-out effort to win cash donations from business and individual supporters to defray campaign costs.

However, the FDP has made a big effort to make up for the shortfall in business contributions by boosting income from individual donors.

Triumph of the Voyager

THE FLIMSY Voyager experimental aircraft touched down at Edwards Air Force Base in the southern California desert yesterday after completing an historic round-the-world non-stop flight.

Rutan's brother, Bert, and Soren through violent storms over the Pacific and Africa which battered and bruised the two pilots as they fought to control a machine which without pilots and fuel weighs less than 1 ton.

Nine days almost to the minute after its half-valving take off when the wings of the fragile craft scraped the ground as it struggled to get airborne Mr Dick Rutan, the pilot, and his co-pilot, Jeana Yeager, brought the Voyager in to a perfect landing when the happy ending to the Voyager's odyssey at Edwards, the scene of several landings of the space shuttle, evoked memories of the and a catastrophe at the beginning of the year when on January 28, the shuttle, Challenger, exploded just over a minute into its flight.

That was to national pride has been mitigated to some extent by the flight of the Voyager, designed by Mr

Days of glory pass Winnipeg by

THE corner of Portage Avenue and Main Street in Winnipeg is reputed to be the world's coldest downtown intersection at this time of year.

Bernard Simon visits Canada's 'biggest small town,' now fallen on hard times

In the late 1940s, Trans-Canada Air Lines, now Air Canada, moved its maintenance base and operations centre out of Winnipeg to Montreal.

ment awarded a valuable air force fighter maintenance contract to a Montreal aerospace company instead of the Winnipeg-based group recommended by Department of Defence experts.

ing its glory as a bustling trading, transport and financial centre are slim. The completion of the Panama Canal in 1914 was the first in a series of setbacks which have drawn people, businesses and political influence from the prairies eastward to the industrial heartland of Ontario and Quebec, southward to Chicago, and westward to the Pacific rim.

The discovery of oil in Alberta in 1947, the decline of passenger rail travel and greater government involvement in selling surplus commodities are among the forces which have hurt a city once nicknamed "the bull's eye of North America."

But like almost every other Winnipegger, Mr Richardson prefers to point to the positive side of the city's changed circumstances.

With an economy now based largely on light industry, distribution and other services, Winnipeg has not been troubled by the boom-and-bust times which have afflicted North America's oil and high-tech Meccas.

US durable goods boost

BY OUR US EDITOR

DURABLE GOODS orders in the US jumped 5.9 per cent in November, the biggest increase in two years, the Commerce Department reported yesterday.

Stripping out the defence orders, which more than doubled, the biggest increase since August 1974, new orders for durable goods rose a modest 0.6 per cent.

But the data will do nothing to alter the judgment of most economists who believe the US economy is expanding sluggishly in the fourth quarter

Durable goods category covers large appliances and other equipment designed to last three years or more.

Sarney gives 25% rise to civil service

BY IVO DAWNAY IN RIO DE JANEIRO

PRESIDENT JOSE SARNEY of Brazil has ordered a 25 per cent pay rise for all federal civil servants and members of the armed forces in a gesture of Christmas generosity that his many critics would not have expected.

These protests cannot, however, obscure the fact that Sarney's chances of regaining

Impact on the efforts of his public administration to contain wages pressure. It will also be unwelcome to those arguing for greater efforts by the Government to contain public expenditure.

in local government have raised less funds from the annual British aid budget.

SEC appeal on bank ruling

BY RODERICK ORAM IN NEW YORK

THE US Securities and Exchange Commission has appealed against a court decision which overturned its requirement for banks to register their brokerage activities with it.

US hearings likely soon on Brazil computer curbs

BY NANCY DUNNE IN WASHINGTON

THE REAGAN Administration is expected to hold public hearings in February on Brazil's barriers to computer trade, but meanwhile, it is delaying until June 30 any retaliatory action.

Bank advances \$102m for Egypt plant

By Tony Walker in Cairo

THE ABIDJAN-based African Development Bank has advanced a \$102m (£72m) loan for the construction of a 600 Mw power station at Farafra in the Nile Delta north of Cairo.

WORLD TRADE NEWS

Davy McKee expects share in India smelter project

BY JOHN ELLIOTT IN NEW DELHI

A CONSORTIUM of Davy McKee of the UK and Lurgi of West Germany expects to be awarded a \$18m design and consultancy contract for a zinc mine and smelter in India which it hopes will lead to an order for the main construction of the \$246m project, backed by one of the biggest slices of British aid offered to India totalling \$22m.

General Electric (GEC). The fourth largest is \$65m provided last year for the purchase of Westland Helicopters.

There is believed to have been some controversy within the UK's Overseas Development Administration about offering 100 per cent grants for the British consultancy and equipment purchases on the zinc project, partly because they are unlikely to lead to subsequent orders from the UK.

Companies involved fear India has been using the 1985-90 and the Rajasthan project is intended to curb the growth of imports.

UK price so that the project for the offshore purchases.

India's Department of Mines estimates that the mine and smelter involved, at Rampura-Agucha and Chanderya in Rajasthan, would generate a return on capital of about 25 per cent.

Japan-US consortium wins \$176m Thai order

THAILAND'S National Petrochemical Corporation (NPC) said it will award a contract on January 6 to a Japanese-US consortium led by Toyo Engineering Corporation, to build a \$176m (£121m) petrochemical plant, Reuter reports.

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Taipei 'to redress trade surplus with Washington'

TAIWAN, faced with growing American protectionism, will cut its trade surplus with the US next year by lowering import tariffs and buying more US goods, a senior government official said yesterday, Reuter reports from Taipei.

Leyland Bus in £3m deal with HK group

By Kenneth Gooding, Motor Industry Correspondent

LEYLAND BUS has won a £3m order for 61 three-axle Olympian double-deck buses from Kowloon Motor Bus (KMB) Company, of Hong Kong.

Saudi contracts

Japanese contractors have won Arab contracts worth \$200m in Saudi Arabia worth \$7.7bn (£2.3bn), Ian Roder reports from Tokyo.

BRITGTON

The Financial Times proposes to publish a survey on the above on:

THURSDAY JANUARY 22 1987

For further details, please contact

COLIN DAVIES

01-248 8000 ext 3240

FINANCIAL TIMES

Europe's Business Newspaper

Iran you strike back at Iraqi

Iran's War Ministry said yesterday that the country will continue to retaliate against Iraq's military aggression.

Philippine economic growth

Philippine economic growth slowed in the third quarter, but remains above the target rate of 7.5 per cent.

NZ withdrew

Seaplane was withdrawn from New Zealand's air force because of a defect in its engine.

Unanimous

Top President of the American Medical Association has been elected unanimously.

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Archives

Archives

Archives

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Archives

OVERSEAS NEWS

Zaire and the IMF

The Fund's most obedient pupil rewrites the curriculum

A FEW hundred yards from the mouth-watering patisserie and the stylish European restaurants frequented by high society at Kinshasa's Intercontinental Hotel complex, a few poor fishermen and farmers living in cardboard shanties are trying to eke out an existence on the steamy banks of the Congo River, also known as the Zaire.

The authoritarian Mr Mobutu, in turn, bridled at such treatment, perceiving a threat to his own and Zaire's sovereignty, a common complaint against the IMF.

Zaire, formerly the Belgian Congo, has been known not only for its institutionalised corruption but also for its rigid adherence over the past four years to an IMF-backed programme of economic reform and austerity.



"A young country cannot go on indefinitely sacrificing everything for the sake of servicing its external debt." - President Mobutu (left)

The IMF men were in Kinshasa recently - staying at the Intercontinental - and they were not there, as the leader of the delegation commented dryly, to discuss the weather.

Under President Mobutu, Zaire, previously the IMF's most obedient African pupil, had suddenly thrown down the gauntlet to the fund, declaring that it had had enough of excessive hardships and would follow Peru by limiting debt service payments from 1987 to 10 per cent of its export earnings.

On repayments of its foreign debt of more than \$5bn. Tensions between Mr Mobutu's Government and the fund had grown throughout the year. At the end of May he suddenly raised public-sector salaries, among the lowest in the world but supplemented by the corruption which has become a way of life, by an average 40 per cent.

The effects of the rebuff to the IMF are already being felt. The World Bank, for instance, has suspended payment of a loan for industry, and supplies of foreign exchange in the market have fallen sharply.

Zaire is adamant that the central committee decisions must constitute the framework for future negotiations with the IMF and other creditors. However, the authorities want to continue their relationship with the fund and the World Bank and are meeting their commitments in full until the new guidelines come into force at the start of 1987.

Tony Walker, recently in Amman, considers King Hussein's embarrasment over the shootings in the Israeli-occupied territories

Jordan faces unwelcome attention on the West Bank

RECENT shooting incidents in the Israeli-occupied territories in which several Palestinian youths were killed has focused unwelcome attention in Jordan on apparent administrative co-operation with Israel in the West Bank.

The shootings are a particular embarrassment for King Hussein who has sought since early this year to encourage the growth of an alternative Palestinian leadership in the West Bank to that of the Palestine Liberation Organisation.

King Hussein in a recent speech reaffirmed his commitment to the principles laid down in an accord signed in February last year with Mr Yasser Arafat, chairman of the PLO.

Mr Hanna Seniora, editor of the pro-PLO Al-Fajr newspaper published in East Jerusalem, warned in a recent interview that King Hussein was taking a serious risk by appearing to collaborate with Israel.

Amman is concerned about the possibility of a mass exodus of Palestinians under pressure from Israel across the Jordan River. Jordan's population of 2.5 million is 60 per cent Palestinian.

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Company Notices

BOND TRUST OF THE WORLD

(Mutual Fund organized under the laws of the Grand Duchy of Luxembourg) NOTICE OF DIVIDEND ON TYPE "A" SHARES Pursuant to article 17 of the management regulations of the Fund, the board of directors of World Bond Trust Management Company, on December 9, 1986, decided to distribute, for the fiscal year ended on September 30, 1986, a dividend to be paid out of the net distributable income (which comprises the net investment income of the Fund and the net investment income prorated on the net issues and repurchases of Fund shares during the accounting year of the Fund) and of the net realized capital gains of the Fund.

Table with columns for denominations (5, 12, 22, 28, 34, 50, 61, 83, 86, 114, 116, 127, 132, 143, 230, 247, 256, 320, 344) and rows for various denominations.

NOTICE OF REDEMPTION 8 1/2 per cent Floating Rate Debentures due February 1st, 1989 HYDRO-QUEBEC (FORMERLY QUEBEC HYDRO-ELECTRIC COMMISSION) NOTICE IS HEREBY GIVEN that Hydro-Quebec intends to and will redeem for SINKING FUND PURPOSES ON February 1st, 1987, pursuant to the provisions of the abovementioned Debentures, the following Debentures at 100% of their principal amount plus accrued interest, if any, to the date specified, below, namely:

General Appointments HOME FROM ABROAD? By Tuesday December 30, we suspect you'd rather be talking business. We suspect that by the time next Tuesday dawns, the novelty of being in Britain for the festivities will no longer seem such a novelty. By our thinking, that would be an excellent day to get back to business.

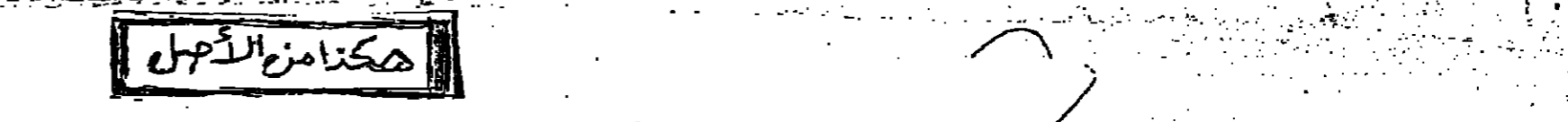
PIONEER ELECTRONIC CORPORATION Notice is hereby given to holders of CDRs issued by Caribbean Depository Co. NV, Curacao, evidencing shares in the above Company that the annual report for the financial year ended 30th September, 1986, may be obtained from: Pioneer Electronic Corporation, 6 John B. Gorrie Way, Willemstad, Curacao; Persoon, Holding & Finance N.V., Herengracht 21a, 1015 AS Amsterdam; The Bank of Tokyo Ltd., established in Tokyo, Brussels, London, Düsseldorf, Paris and New York.

FRIESH-GRONINGSCHIE HYPOTHEEKBANK N.V. U.S.\$ 20,000,000 Floating Rate Notes due 1987. In accordance with the provisions of the Notes, notice is hereby given that for the interest period from December 29, 1986 to March 30, 1987 the Notes will carry an interest rate of 7 1/4% per annum. The interest payable on the relevant interest payment date, March 30, 1987 against coupon n° 20 will be U.S.\$ 91.63 per Note.

THE WESTBURY HOTEL New Bond St., London W1 on Tuesday December 30 1986 at 2.00pm A buffet and drinks will be served.

Clubs EVE has outlined the others because of a society of fair play and value for money. Soper from 10-3.30 am Disco and live music, glamorous hostess, exciting atmosphere. 189, Regent St., W1. 01-724 0557.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Strategic investment

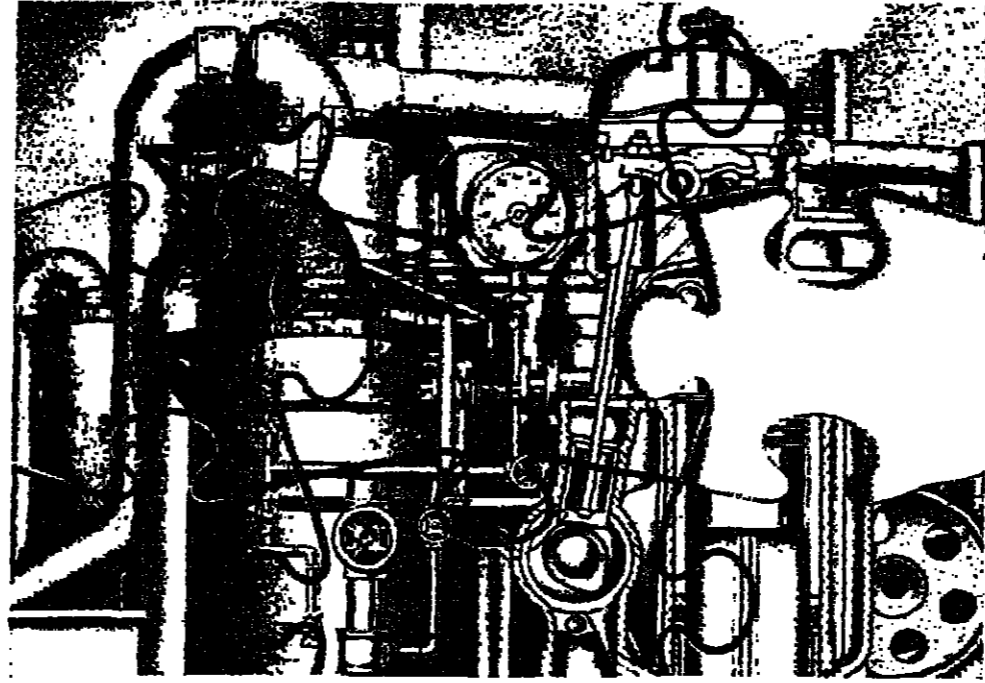
Patrons of the art of innovative alliances

Jane Rippeteau explains how big companies can complete their product development jigsaws with bought-in research

TWO YEARS AGO, BMW, the West German motor group, made a \$4.2m investment in a small, privately owned robotics company set up in 1982 in Pittsburgh called American Cimalex.

The small company gets a share of the financial, manufacturing and marketing clout large companies can provide, while the patron enjoys access to innovative products and the faster ride from laboratory to market for which entrepreneurial companies are famous.

and Elf Equitaine, from which it has received about \$2m in funding and for which it developed the "Drilling Advisor" for resolving problems encountered in drilling oil wells.



alliances created will "meet both parties' expectations," although he adds that the percentage is rising as understanding about how to operate such deals increases.

Another challenge is the adequate protection of proprietary products. A small company could develop something for one large-company investor that would also interest others holding part-ownership.

Technology in the US. According to Radtke of Venture Economics, LaPine discovered that its first product had to be redesigned. Kyocera, in turn, had to put \$600,000 worth of retooling into the new plant.

Even if we had the capability, we are not in the business of building vision systems," says Thomas Leuck, senior vice president of BMW Technologies in Boston.

There also is an extraordinary opportunity for exchange of commercial information. A problem start-ups can have is to work out what customers want and need, particularly if a technology is new to the world.

Strategic alliances are generally thought less risky than outright acquisition of a small company because less money is involved and entrepreneurs remain independent and hence are not likely to abandon the company.

Hecht of Teknowledge concedes that this can be a problem. He points out that his company is not legally restrained from reselling a product developed under an alliance.

According to Strain, however, "people at Calgene were smart enough not to" take on owners which compete commercially.

According to Radtke and others, Japanese investors are moving quickly to establish strategic relationships and could soon up attractive opportunities in both the US and Europe that are currently being ignored.

Lee Hecht, chairman and chief executive of Teknowledge, a five-year-old artificial intelligence company in Palo Alto, California, says product-specific investors provide "input they wouldn't otherwise give us on how they would use the technology commercially."

Also, executives say that the alliances can be more effective than joint venture development projects between two large companies where commercial conflict can get in the way.

That appears to have been a factor in the recent demise of the Rolls-Royce and General Electric jet engines pact.

Alliances do, however, require special management skills. Executives are reluctant to discuss failed attempts, but they stress several key points, including competitive conflicts.

Strategic alliances can result in having to cope with the unexpected. Japan's specialist ceramics company Kyocera ran into this problem after it put up a \$6m production plant to manufacture a new type of disc drive developed by LaPine.

Intrapreneurship— incompatible with large organisations

BY MICHAEL SKAPINKER

HOW CAN a large well-established company dredge up from its comfortable, salaried and pensionable workforce those new ideas and technological breakthroughs which will ensure its survival? A popular answer in recent years has been to encourage its employees to become intrapreneurs.

Intrapreneurs are entrepreneurs who operate within large companies, rather than on their own or in small companies. An intrapreneur, "is seen as a sort of internal entrepreneur. His charge is to duplicate the energy, resourcefulness and innovation of entrepreneurs on the outside, and the corporation is admonished to give him the tools to do it with."

The definition comes from C. Wesley Morse, a Professor of Management at California State University. Writing in the latest edition of Long Range Planning, he describes intrapreneurship as a delusion.

Destructive

There are, he admits, a few large companies with successful intrapreneurship programmes, such as 3M, the diversified US industrial group, and Hewlett Packard, the US computer group. At 3M, employees at all levels are allowed to use up to 15 per cent of their time to work on a project of their own.

But in innovative research companies like these, the entire culture of the organisation is geared towards promoting intrapreneurship. In companies relying on stable technology this is far more difficult. They cannot afford to give their intrapreneurs the personal autonomy they need.

Morse has a telling story about a speed-boat once heard from an executive vice-president of the American oil company Atlantic Richfield.

He told his audience about a group of young managers who came up with an innovative programme for the marketing of petrol in California. It had been very successful, one of the fruits of the more open atmosphere the company had been trying to encourage.

critics believe that Europe's late entry could cost it dearly in the speed with which its established companies are able to keep at the forefront of technological change.

The phenomenon involves new relationships between large companies and small companies, often called strategic alliances, in which small, entrepreneurial start-ups act as product development arms of large companies.

It is a natural admiration idea.

NOTICE OF REDEMPTION... HYDRO-QUEBEC

FRIESCH-GRONINGSE HYPOTHEEKBANK NV... U.S. \$ 20,000,000

KREDIETBANK... RENTALS

WOODALS... HENRY & JAMES

In 9 months, Manchester has delivered 30 new arrivals (and departures).

Table listing 30 destinations with airline logos: ALICANTE (Orion), AMSTERDAM (Dan Air), ANTWERP (Connectair), ATHENS (British Airways), BAHRAIN (QANTAS), BANJUL (Orion), BARROW (Air Furness), BERLIN (West) (British Airways), BEZIERS (Orion), BOMBAY (British Airways), CHICAGO (American Airlines), DALAMAN (British Airways), DELHI (British Airways), DUBAI (Singapore Airlines), GIBRALTAR (Air Europe), IPSWICH (Suckling Airways), LAS PALMAS (Britannia Airways), LESBOS (Dan Air), MALAGA (Britannia Airways), MARRAKECH (Royal Air Maroc), MUNSTER (British Airways), OPORTO (Dan Air), PLOVDIV (Balkan), ROTTERDAM (Connectair), SINGAPORE (Singapore Airlines), TENERIFE (Britannia Airways), TORONTO (Air Canada), TOULOUSE (Dan Air), TUNIS (Dan Air), WARSAW (LOT Polish Airlines).

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UK NEWS

Ghosts of seasons past haunt traders

By Terry Byland
THE LONDON Stock Exchange trading floor, hit by the rush towards electronic trading since the Big Bang deregulation, was a poor comparison yesterday with the pre-Christmas sessions of earlier years.

Civil servant will face insider dealing charges

BY CLIVE WOLMAN
A SUMMONS on charges of insider dealing will be issued shortly, possibly over the Christmas period, against a civil servant, alleging that he or she used inside information about whether a series of takeover bids would be referred to the Monopolies and Mergers Commission.

Motoring balance of trade worsens

By Kenneth Gooding
THE UK's balance of trade in motor industry products, already seriously in the red, worsened sharply in the third quarter as the steep drop in the value of the pound pushed up the price of imports but had not at that stage helped boost exports.

Owners allowed to use homes as security for other loans

BY HUGO DIXON
HOMEOWNERS will be allowed to use their homes as security for a wide range of loans not restricted to buying a house from January 1, following a change in rules laid down by the Treasury and the Bank of England.

BR awards £83m contract

BY HAZEL DUFFY
METRO-CAMMELL has won a £82.9m contract to supply British Rail with rolling stock for its east coast line. Electrification of the line between London and Edinburgh is due to be completed by 1991.

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what they knew to be inside information. The deals involved buying or selling the shares of companies that have been the targets of takeover bids over the last 18 months.

The civil servant, who is an official of either the Department of Trade and Industry (DTI) or the Office of Fair Trading (OFT) but not the Monopolies Commission, is to face charges of passing on the price sensitive information.

The first stage of the inquiry, into possible leaks of information from the Civil Service, is expected to be completed today. However, the investigation, which is being led by two non-DTI inspectors who were appointed last week, will continue into the new year and extend to possible offences committed by stockbrokers and other City of London professionals.

They are suspected of carrying out the illicit deals after receiving mortgage lenders - building societies, banks and insurance companies - were intended to restrict the growth of credit.

In particular, the 1986 Building Societies Act will allow societies to enter the unsecured lending business for the first time. It was thought inappropriate that secured lending should continue to be restricted.

At the same time, the original rules have been seen to be far from watertight. Some lenders have exploited a loophole, which allowed them to make further advances to existing borrowers; others have turned a blind eye when people moving chose not to use all the proceeds to buy a new house.

For this reason, the Bank of England does not expect the relaxation to lead to an immediate sharp growth in consumer credit, although it admits there will be some impact. The Building Societies Association, the societies' trade association, which has welcomed the change, also thinks the immediate impact on the mortgage market will be slight.

There will, however, be one substantial change. Lenders will now be able to persuade borrowers to switch their mortgages to them, by offering them larger loans. Last year, Kleinwort Benson, the merchant bank, wanted to operate such a scheme but was prevented by the Bank of England.

BR awards £83m contract

BY HAZEL DUFFY
Rail within its financing limit (made up of borrowings plus the annual passenger service grant from the Government). BREL will build the body shells and bogies under sub-contract to Metro-Cammell.

INTERNATIONAL APPOINTMENTS

Top move at Saab-Scania cars

BY SARA WEBB IN STOCKHOLM
MR STEN WENNLO, general manager of the Saab, the car division of Saab-Scania, the Swedish motor company, is to retire next April at the age of 62.

Bond trading role at Canadian bank

CANADIAN IMPERIAL Bank of Commerce (CIBC) has announced the appointment of Mr W. H. (Hank) Cunningham as vice president, bond sales and trading. Mr Cunningham has had 20 years' experience in the Canadian bond market.

Aetna presidential change

AETNA LIFE and Casualty Company, the largest investor-owned insurer in the US has announced that Mr William O. Bailey, 60, its president for the last ten years, is to be vice-chairman of Aetna and to assume the role of chairman and chief executive officer of MELA, a newly formed municipal bond insurance company in which Aetna will have a 48 per cent stake.

Switch in Chevron senior post

CHEVRON, the US integrated oil company formerly known as Standard Oil of California, has appointed Mr J. Dennis Bonney as vice chairman from the turn of the year, in succession to Mr James Lee, who is to retire. Mr Lee, vice chairman since May 1985, was earlier chairman, president and chief executive of Gulf Corporation, the US oil company, which was acquired by Chevron in 1984.

Rohm and Haas

ROHM AND HAAS Company, the Philadelphia producer of plastics and related items, has put forward Mr J. Lawrence Wilson, 50, to be chairman and chief executive officer, in succession to Vincent L. Gregory, on the latter's retirement in June 1987. Mr Gregory, who will then be 65, has been chief executive for 18 years. Mr Wilson is currently vice chairman.

Motoring balance of trade worsens

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BANK OF NEW ZEALAND
NOTICE OF A MEETING
of the holders of the outstanding U.S.\$50,000,000 1 1/8 per cent. Capital Notes 1993 of the Bank (the "Noteholders") and the "Notes" respectively
EXTRAORDINARY RESOLUTION
THEAT this Meeting of the holders of the outstanding U.S.\$50,000,000 1 1/8 per cent. Capital Notes 1993 of the Bank of New Zealand (the "Notes") and the "Bank" respectively constituted by the Trust Deed (dated 24th March, 1983) and the Trust Deed (the "Trust Deed") dated 24th March, 1983 made between the Bank and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the Noteholders.

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCK DESCRIBED AVAILABLE FOR PURCHASE IS NOT AVAILABLE FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCK ON THE STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON WEDNESDAY, 24TH DECEMBER 1986.

ISSUE OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury has created on 22nd December 1986, and has issued to the Bank, an additional amount as indicated of the following Stock: £100 million 10 1/2 per cent EXCHEQUER CONVERTIBLE STOCK, 1989

The price paid by the Bank on issue was the middle market price of the Stock at 3.30 p.m. on 22nd December 1986 as certified by the Government Broker.

The amount issued on 22nd December 1986 represents a further tranche of the Stock, ranking in all respects pari passu with the Stock and subject to the terms and conditions applicable to the Stock, and subject also to the provision contained in the final paragraph of this notice; the current provisions for Capital Gains Tax are described below.

Copies of the prospectus for the Stock, dated 22nd November 1986, may be obtained at the Bank of England, New Street, London, EC4M 3AA.

Application has been made to the Council of The Stock Exchange for the further tranche of the Stock to be admitted to the Official List.

The Stock is repayable at par on 15th November 1989. Interest is payable half-yearly on 15th May and 15th November.

The first tranche of the Stock will rank for a full six months' interest on 15th May 1987.

10 1/2 per cent Exchequer Convertible Stock, 1989 is specified under paragraph 1 of Schedule 2 to the Capital Gains Tax Act 1979 as a gilt-edged security (under current legislation exempt from tax on capital gains, irrespective of the period for which the Stock is held).

The Ministry of Finance of the Kingdom of Thailand
U.S. \$85,000,000
Floating Rate Capital Notes due 2000
In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the second three months of the Interest Period ending on 30th March, 1987 has been fixed at 6 1/2% per annum. The interest accruing for such a three-month period will be U.S.\$82.94 in respect of the U.S.\$85,000,000 denomination and U.S.\$4,147.14 in respect of the U.S.\$250,000 denomination and will be payable, together with the interest for the first three months of the said Interest Period on 30th March, 1987, against surrender of Coupon No. 7.

Saneman Founders Reserve Port
No Longer Reserved To The English.
Image of a stag and a man in traditional attire.

Handwritten signature or stamp at the bottom center of the page.

TECHNOLOGY

Tidings of rumpus and joy

Electronic toys top Santa's delivery list. Louise Kehoe, in San Francisco, reports.

IT IS THE night before Christmas and all through the house not a creature is stirring...

Sources close to the North Pole inform us that electronic talking toys are at the top of Santa's list...

Teddies that tell stories, puppies that pine for attention and baby dolls that play peek-a-boo...

Leading the cacophony is "Teddy Ruxpin," a talking teddy bear who comes from Worlds of Wonder (WoW) of Fremont, California...

Happily for him, but perhaps less so for parents, he is no longer alone. This year—his second in the US and first in Europe—he has a friend, Grubby...

For little girls between three and nine, Pamela, also from WoW, is worth talking to because she talks back...



Teddy Ruxpin: He talks, sings and tells stories, thanks to an ingenious plug-in encoded tape and computer program

little more sophistication, perhaps "Smarty Bear" is the answer. He looks out on the world over a pair of plastic spectacles...

toys. A popular example is View-Master International's Talking Parrot...

If a \$60 to \$80 price tag seems a bit steep for most of the talking toys, how about "Peek-a-Boo Bear" as the answer...

For more sophisticated youngsters, the "new and improved" video game is making something of a comeback...

Combining the best of several electronic game features in one is Nintendo of New York's system...

Almost guaranteed to cause havoc in the home is one of the most popular—and therefore the most hard to find—of the new electronic games...

The manufacturer, Worlds of Wonder, has not been able to keep up with demand...

Which of these pieces of technological wizardry is destined to become a lasting classic is anybody's guess...

WORTH WATCHING



Lip service paid to word processing

SPEECH SYSTEMS Incorporated (SSI), a Californian company, is developing computer software offering direct, continuous speech input to office and industrial equipment...

SSI's Phonetic Engine has a vocabulary of 20,000 words and can be addressed in normal speech without pauses between words or phrases...

Called PE 200, the SSI system will be commercially available next spring. Costing \$5,000 the device turns speech into phonetic codes...

At about the same time, a phonetic decoder (model 3500) will become available. This will take phonetic codes from the PE 200 and turn them into words for use in screen-based systems...

Meanwhile, Speech Systems has software and hardware development units available from \$52,000, including a licence to produce and sell the software...

Japanese develop tunnel vision

MITSUBISHI ENGINEERING has developed a manned mobile radar vehicle which can be driven along the headrace tunnels of hydroelectric power stations to determine the condition of the concrete walls.

The system processes the signals returned from the walls to give a colour display on a screen that indicates dangerous cracks or thin concrete sections...

Racal-Milgo offers US computer link

RACAL-MILGO, a principal UK maker of local area network (LAN) systems...

Racal-Milgo's system, called Fibnet, uses a ring of cables over which a variety of different maker's units can communicate...

After Fibnet is placed on an injury, the calcium in the fibre reacts with the wound fluids to form a protective viscous gel over the damaged tissue...



Portable ink-jet printing technology from Dicomx of the US

Carrying a printer just in case

COMPUTER PRINTERS, about half the size of a briefcase, have been introduced by Dicomx, the Dayton, Ohio, subsidiary of Eastman Kodak...

Salt rubbed in the wound

A UK venture capital fund, Managed Technology Investors (MTI), has put \$250,000 into Ectozel, the Alderley Park, UK, company recently set up to make clinically superior wound care products...

Swedish chip to cut cost of ISDN

VERY LARGE scale integrated (VLSI) chips tailored specifically to the needs of ISDN (integrated services digital networks) have been introduced by Swedish research company...

The 52,000 transistor chip handles the transmission of a 160,000 bit/sec digit stream representing speech and computer data...

A more personal touch to UK offices

OFFICE PERSONAL computers have been selling in the UK at about 40,000 a month in the final quarter of this year...

Amstrad at the lower end of the office market has helped the revival and is, says Keith Wharton of KIS, "outpacing Compaq (US), Epson (Japan) and Tandon (US)."

Meanwhile, IBM's share of the market has slipped from 46 per cent to 36 per cent although sales were well up...

Wharton, however, emphasises that the figures must be read with caution because the market is still very volatile.

British Gas monitor pipelines with Husky. Find out what our Country (020) 66801. HUSKY MANUFACTURERS OF THE WORLD'S MOST POWERFUL HAND-HELD COMPUTERS

Swedish chip to cut cost of ISDN. VERY LARGE scale integrated (VLSI) chips tailored specifically to the needs of ISDN...

A more personal touch to UK offices. OFFICE PERSONAL computers have been selling in the UK at about 40,000 a month...

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THE ARTS



Peter Bowles Maggie Smith Jonathan Pryce Albert Finney Stephen Rea Janet McTeer Anthony Hopkins Jack Lemmon

Theatre in 1986/Michael Coveney

A year for the National and RSC to forget

There was a lot of unnecessary kerfuffle this year about the conditions of employment and private incomes of Trevor Nunn at the Royal Shakespeare Company and Sir Peter Hall at the National Theatre. Hall is well-practised in fendings-off...

Hopkins King Lear. Hopkins was a growing, garrulous titan with the bubbling, ferocious impetuosity of the very old and the very strong. David Hare's production will take time to settle in and suffers most from a lack of emotional rather than a lack of intellectual...

The arrival of Hodge at the NT, incidentally, is due recognition of a fine young actor who has been piling up impressive credentials around the country; this year he was Oswald in a splendid Ghosts at the National, Southampton (a production later eclipsed by the Vanessa Redgrave/Tom Wilkinson double act at the Young Vic and Wyndham's); and an energetic self-naming Coriolanus in Deborah Warner's inventive and Peter Brook-ish orange box production for Kick Theatre at the ever invaluable Almeida.

Just as Nunn has coded executive directorship of the RSC to his co-artistic director Terry Hands, so Hall has confirmed he will not be renewing his NT contract in 1988; his break will presumably be cleaner than Nunn's, so the expected appointment of Richard Eyre with David Aukin as his administrator will herald a new era in the major league subsidised movement which Hall initiated when he founded the RSC in 1960. You only have to compare the NT's limp, decorative and smug Threepenny Opera with Strehler's recent triumphant revival in Paris to see how far there is to go, but Eyre's direction of Dusty Hughes's The Futurists, Daniel Day Lewis as a skinhead Mayakovsky, the Berkoff of Petersburg, was the best NT work on a new play all year.

The cutting edge of new writing was at the Royal Court (the English Stage Company was 30 years old), where a policy more random and catch-all than usual resulted in a tremendous ragbag, opening with the home-grown, the late Barker/William Gaskill version of Women Beware Women, whose lusty, vital and scurrilous qualities I remember with increasing warmth; Maggie Steel gave one of the year's greatest performances as the lascivious Livia and notice was served by Simon Russell Beale of a sweetly rapacious new talent (he later joined, and was wasted at, the RSC).

The Court's pragmatic forging of alliances to bypass its chronic underfunding led to Field Day's Double Cross, Stephen Rea electric as both Brendan Bracken and Lord Haw-Haw, the Joe Papp-originated AIDS play, The Normal Heart, starring Martin Sheen and, later in the Albert, Tom Hulce; Alan Bennett's Kufest's Dick, a hauntingly memorable but flawed play about literary parasitism and the enlarged matter of the author's small member, Roger Lloyd Pack and Jim Broadbent outstanding (Richard Eyre directing); and John Stock's A Mouthful of Birds in which Caryl Churchill and David Lan tackled The Bacchae in terms of contemporary urban violence and the dantesque mania of Pina Bausch, a genuine experiment in welding text to imagery.

The major new Court discoveries were Ann Devlin, whose Ourselfes Alone impressed everyone who saw it, and Jim Cartwright, whose Road in a thrilling promenade production by Simon Curtis, combined the contemporary Under Milk Wood style of dramatic reportage (in Thatcher's unemployed Lancashire rather than Thomas's

romanticised Celtic fringe) with scenes of powerful and very funny dramatic writing. This wonderful show is revived early in the New Year, Ian Dury joining Susan Brown (one of the actresses of the year) both on tour and in Sloane Square. The third most interesting new play (after Road and The Futurists) was Anthony Minghella's Made in Bangkok, which placed a group of crass, xenophobic British tourists in the accommodating impersonal seaports of Bangkok and ran through scenes of sexual confession and despair, Felicity Kendal's painful breakdown superbly supported with hideous macho high jinks in massage parlours and hotel lounges. The play, difficult and slippery, had no comforting cushions of ostentatious wit or fashionable tenderness; Minghella remains an unclassifiable dramatist, each play different from the last, too unconventional for the Court, too uncompromised for the West End. Michael Barker's superb production set Michael Codron back £250,000, and the piece struggled on to disappointing houses at the Aldwych.

The craven SWET awards failed to honour Ayckbourn's Women In Mind, Hughes, Minghella or Cartwright, led alone Ken Ludwig, whose Lead Me A Tenor was a brilliant first play, a new farce rooted in Moss Hart and the Marx Brothers. Woman, with a knockdown performance from Julia McKenzie, was Ayckbourn's most plausibly bleak yet, with a conussed housewife creating an ideal home on the darkening lawn as an escape from humdrum routine and sexual boredom.

Other new West End dramas included an outstanding year included Paul Scofield and Howard Rollins in I'm Not Rappaport as two old boys, members of the crumbling hip generation, waiting to go gaga on a Central Park bench, Scofield even managing to make something acceptable of "Putting on the

Ritz" in a walking frame—this was a superb, final display of Jewish senility; Derek Jacobi in Hugh Whitmore's Breaking the Code, a deft study of the Bletchley Park buff who invented the computer and now claims his homosexuality, transformed by Jacobi's electrifying personation of a bewilderingly bright boy who never grew up; and Judi Dench and Michael Williams, an accomplished comic double act, in vesting Keith Waterhouse's Mr and Mrs Nobody, with tears, laughter and discreet joy.

The RSC blamed the bombing of Tripoli in April and the fear among tourists of reprisals in London for its bad audience figures in June. They had signed to back them up, but the West End was relatively unaffected. The RSC was just doing unattractive stunts.

After a bleak 1985, Shaftesbury Avenue was back in business and you might very well argue that the Haymarket was the theatre of the year. After Peter O'Toole's dismal The Apple Cart, it played host to Toby Robertson's Maid comedy, led by Vanessa Redgrave and Timothy Dalton in both Antony and Cleopatra and The Shrew; Jack Lemmon in Jonathan Miller's fast, light, almost Chokhovian Long Day's Journey Into Night; and then Jacobi.

When we attended four productions in the 400-seater galleried wooden "O", whose thrust stage and intimate warmth show every sign of defeating a pervasive air of Elizabethan Wine-bar, Tudor Habitat, Two Noble Kinsmen, a production more than most. McTeer doubled as Hippolyta and Titania, so that her unlocked fantasy consciousness as the fairy queen challenged the earth-bound marital claim on her by dull Theseus. Irons was a dashing traditionalist Richard II in a show lacking any governing view of the play. Jonathan Pryce arrived late on as Macbeth, mesmeric and unforgettable in a fast, exciting bare-stage production by Adrian Noble that elaborated brilliantly on the children theme in the play and took violent liberties with the Porter's scene.

The National repertoire was strengthened at year's end by the opening of the Anthony

good the Arts Council's devolutionary policies and suggested six "national theatres" in the region; a token levy on the television companies, which benefit from actors and writers nurtured in the live theatre; and the reconstruction of the Arts Council's drama (as an executive board with real power. Corke's comments on the exploitation of subsidised theatre producer and precise guidelines for directors' obligations reflected the brouhaha over Hall and Nunn but the committee strenuously denied responding to it. The issues were already on the agenda.

The position is difficult. Too much talent, too many resources, are concentrated in London on the RSC and NT. But both of these companies, it is easily arguable, are underfunded. Life is tough for artistic directors of the Bristol Old Vic, the Nottingham Playhouse, the Birmingham Rep, the Liverpool Everyman. There are too many under-employed middle-aged directors hanging around as associates at the RSC, too many fat cat careerists at the NT. These people should be retraining.

The Royal Exchange in Manchester is lucky to have Nicholas Hytner on call, a talented chip off the Michael Elliott "efficient intellectual" block who directed stunning productions this year of As You Like It (Janet McTeer as Rosalind) and Marlowe's Edward II (Ian McDiarmid as the wastrel king).

McDiarmid's assumption of an associate directorship at Manchester after years of distinguished RSC service is a very serious way if its practitioners are not seen to be above all hint of two-timing the taxpayer.

On my regional rounds I enjoyed particularly Willy Russell's Shirley Valentine at the Liverpool Everyman (Noreen Keravan was the brilliant, confidential monologist); the Cambridge Theatre Company, still solid under Bill Fryde, celebrating 100 productions with a 1986 school for Scandal; and de Rojas and de Musset at (where else?) the Glasgow Citizens, the first a dusted down 1831 translation of La Celestina, the second yet another Day After Tomorrow translation of the fascinating Le Chandelier.

Among those who sadly forsook the spotlight for ever this year were Siobhan McKenna, Sylvia Coleridge, Billy Dainty, Michael Croft, Paul Curran and Alan Jay Learner. My favourite ten shows, in no particular order, were Lead Me A Tenor, Tons of Money, Women In Mind, Long Day's Journey Into Night, Edward II, Road, The Futurists, Every Man In His Humour, Macbeth, The House of Bernard Alba.

Some things about New York entertainment, one hopes, will never change, and one of them is Bobby Short, who is celebrating 50 years in show business (he started aged 12 as the "Miniature King of Swing") and 20 years ago at the Café Carlyle.

To sit in the perfect piano room surrounded by Chagall-like primitivist murals, sipping good wine and listening to Mr Short singing and playing Kern, Gershwin, Cole Porter and Rodgers and Hart, is as near as I am prepared to come to any definition of how to complete a day, or a night, in New York.

There was a good revival of Cabaret starring Wayne Sleep and enjoyable revivals of Aussie Get Your Guss (first at Chichester, which venue celebrated its 50th anniversary) starring Suzie Quatro, and Wonderful Town (first at Watford) starring Maureen Lipman. Any theatre year that re-animates the talent of Kander and Ebb, and the genius of Irving Berlin and Leonard Bernstein, is not a year awash with "meretricious musicals".

Cherise Gert, admittedly, was a rum deal in spite of (and partly because of) Cyd Charisse indecently gliding around with a lot of camp chorus boys and Dora Bryan, no less, indecently playing for cheap laughs in the front stalls. But even Chess has one or two good "Euro-pop" songs, although Trevor Nunn quondam master of the RSC logical narrative line, failed to make a coherent story of Tim Rice's plucky collaboration with the Abba song writers. Tommy Korberg was a fine new talent, Elaine Paige an un-scratched familiar one.



Daniel Day-Lewis



Felicity Kendal



Glenda Jackson and Joan Plowright



Derek Jacobi



Suzi Quatro



Douglas Hodge



Faye Dunaway

Vertical text on the left margin including 'British Gas monitor pipes with Husky', 'Swedish chip cut cost of...', 'A more personal touch to UK...', 'FINANCIAL TIMES CONFERENCE', 'Market', 'Equities', 'Advertising'.

FINANCIAL TIMES

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Wednesday December 24 1986

Time to lift the sights

ONE OF the questions a future historian might ask is: when did pessimism set in? Not so much pessimism perhaps, as sheer defeatism. In the early 1960s there had been talk of a revolution of rising expectations.

know what to do about it as the rest of southern Africa became embroiled in the conflict.

It was not as if there were no bright spots. In fact, there were plenty. In Europe, Greece, Spain and Portugal had joined the Community as democratic members — the only way that they could get in.

There was also a curious paradox: at the time when it became technically possible to do almost anything, people lost their will to do almost anything. The world which should have been becoming smaller — more "interdependent" in the terms of the 1960s — became more introverted, more quarrelsome, more interested in micro rather than macro problems, and even took pride in doing so.

There were signs of progress elsewhere. China had long ended its isolation and was moving towards more of a market economy. It began to tolerate, if not to enjoy, student riots in Shanghai. In the Soviet Union Mr Mikhail Gorbachev released Dr Andrei Sakharov from exile, which must have meant at least a partial recognition that a country can flourish only with intellectual freedom.

At the heart of it all was the mismatch: the fact that there were resources of every kind in abundance, but they were exceedingly unevenly distributed. In the European Community people quarrelled about how to reduce food surpluses; in Africa people died of malnutrition. In Britain, there was much talk about the gap between the affluent south-east and the poor north, though in truth parts of London were as run-down as anywhere in the country.

Small wars

Economically, the prospects should have been far from bleak. Inflation had been, if not conquered, certainly subdued. Militant trade unionism had ceased to be much of a force. The debt problem of some of the developing countries was soluble, given flexibility. Japan was beginning to take its responsibilities to the wider world more seriously. It was the moment for take-off: for international co-operation, east-west, north-south, on economic management and arms control.

Bogged down

In the wider world, super-power diplomacy became bogged down in arguments about the statistics of nuclear weapons: the late twentieth century equivalent of medieval disputes about how many angels could dance on the point of a pin. Nuclear war was not at all likely, for there was a rough balance of power, but because the superpowers could not agree on nuclear weapons, they neglected almost everything else.

Yet, as the future historian might note, the opportunities were not so sparse. There was a retreat into protectionism and the perpetuation of small wars, trade or real. The developed countries thought it bold to go for a growth rate of three per cent, which meant no more than growth recession, when they could have raised their sights to five per cent or more. Ambition gave way to cautiousness, even pusillanimity, internationalism, to nationalism, just at the time when it could have been otherwise.

South Africa went from bad to worse. What was once termed only by the left to be a white racist regime turned out to be precisely that. Nobody outside

Or perhaps not. The opportunities are there. There is no need to become excessively conservative either with a small or large "c." In 1987 internationalism should be the order of the day.

YOUR FUN-PACKED FT GUIDE TO WHAT'S ON THIS CHRISTMAS



Barry Riley The Fleet Street critic they couldn't gag



BOOKS

Their Trade Was Transatlantic ROBERMAN PINCHER'S new book, smuggled in from the Irish publishers, is essential Christmas reading for Australian judges and the growing army of spy literature buffs.

Among the new records this year are the American with the smallest knowledge of UK company law (Mehulim Riklis) and the most accident-prone British company chief (Ernest Saunders). An interesting feature is the chapter on high-risk activities. It's a pity the planned Scottish edition has been cancelled, but sources close to the publishers suggest that the Bank of Scotland insisted on excessively expensive financing terms.

CINEMA

Raiders of the Lost Ark There is certain to be box office success for the latest film thriller released for the Christmas market by enfant terrible US director Saul Zaentz, fresh from his sci-fi triumphs such as "To Mercury and Back".

TV FILMS



The Lynch Mob Lone Federal agent Gary Lynch ( Clint Eastwood) rides into town on a daring mission

to seek justice and head off budget cuts. He bullies Levine (Dennis Weaver) into buying, and uncovers a web of intrigue involving the entire town. Watch out for the famous shoot-out with the Draxel Gang as the clock ticks agonisingly around to the Triple Witching Hour. Black and white.

Vintage comedy as Far Eastern sailor of fortune Khoo (Peter Sellers) scroungles on a billion-dollar hoard of treasure on a tropical island. He embarks on a world-wide spending spree. But the fun really starts when the local sultan (Herbert Lom) discovers the money is missing and gives Khoo 90 days to recover the loot. Ideal Boxing Day entertainment as Khoo bluffs his way to deliver the billion dollars on time. This is the film that took over where "Road to Bali" left off.

The French Connection An Anglo-French co-produced thriller, which opens with "Lords of the Sky" riding ruthlessly for control of the cross-Channel "speed" market. Rumours spread that the victorious group is to set up an underworld shuttle delivery service. In the handily directed climactic sequence the mid-night deadline is approaching for the pay-off, and there is a thrilling chase around the streets of the City of London to find the money. French dialogue, English subtitles. Channel TV only.

THEATRE

Phantom of the Refinery Andrew Lloyd Webber's latest smash hit is brilliantly staged in a representation of the new Lloyd's building. An actor of Lloyd's, is horribly disfigured in a financial accident and is condemned to spend the rest of his days in the shadowy sub-basement and air conditioning chambers of the building. But the Cayman Island set for the flashback scene provides convincing contrast.

An Inspector Calls Voted by West End critics as potentially the best revival of this much-loved morality melodrama since the Maxwell and Rowland productions nearly 20 years ago, The Morgan family are gathered on Christmas Eve to celebrate the highly prosperous year when a mysterious "In-

spector" arrives, claiming that a client of the family is in distress and he is investigating. Tension mounts steadily as the head of the family starts to realise that his attempts to accumulate as much capital as his wealthy American cousin Stanley may have backfired. The after-dramella confession, and even his respectable brother Roger comes under pressure. The neat and unexpected twist at the end never fails to surprise.

TV SHOWS

The Price is Right All right, it is vulgar, but at this time of the year who cares? Ecstasied contestants are invited to "come on down" and start bidding in a thrilling takeover contest. We know it is not as spontaneous as it is supposed to be — the contestants are actually briefed weeks ahead, and some are even thought to have been out on private buying expeditions — but the atmosphere is still electric. Of course, contestants still have to beat the experts on the Panel, but they can appeal about their heads and the Judge's decision is final. Recorded in front of an audience of pension fund managers, who egg the contestants on.

The Goodison and Large Christmas Show TV's newest comedy duo create sparkling fun in their debut seasonal spectacular. They could easily fill the gap left by Morecambe and Wise. The running gag is that Nicky,



Goodison hags the Hmaltight while poor Andy Large hardly gets a chance to say anything, let alone sing his favourite Swiss yodel song! But you can bet that Andy gets the last laugh. With guest star Ken "The Laughing Policeman" Berrill and, from Harvard, the controversial "Hot Potato" dancers.

Win a day out at the Securities and Investments Board

The rich man's winter fuel

THAT ENLIGHTENED monarch Wenceslas would certainly have tried to rescind any fiscal arrangement which obliged the poor to subsidise the Christmas trees of the rich. But would he have succeeded?

His barons and moneylenders, and landowners and the Confederation of Bohemian Industries would doubtless tell him that rich men were growing Christmas trees not just for ornament, but to make winter fuel, to give employment to peasants, for the building of houses and to be fashioned ingeniously into paper, by which means wholesome, entertaining and other literature might be distributed to the poor at very moderate prices.

Great expense

And in time of war, Sirs, they would have said, these great coniferous plantations will supply the needs of your realm, even when timber cannot be carried from afar. Nor will the plantations be found of less utility in peace: for the trees grown on our land will diminish the quantities of gold which your majesty's subjects must exchange for winter fuel from abroad.

arguments. The rich men, he would answer, are intending to sell the timber for a profit, so why should those poorer than themselves (who contribute most to my exchequer) fatten their investment? If they cannot make a profit without this subsidy let them put their golden talents to better use, like the manufacture of artefacts; or they may lend it at vast rates of usury to impoverished nations which have fallen into debt by building new-fangled weapons.

Tax avoided

Then my people will have money not to spare to buy all the timber they need from countries blessed with great forests or from warmer lands where, I have heard tell, trees grow four times as fast. And if we need timber for war (the wise king continues) let that be grown by my Commission of Forestries and not by rich men who are more interested in getting my gold than in the creation of forests for our children.

But what then would the king have said about a country where only the very richest can gain the full subsidy for planting trees (50 per cent tax relief plus a 10 per cent grant), and where these same rich planters are then encouraged to sell the estate to a pension fund, so that tax will also be avoided when the timber is felled? Britain is such a country. The subsidy costs about £10m a year. The National Audit Office has found that the benefits to the national are "not clear," while the return without the subsidy is very low. In short, the money could be better spent. Wise rulers, deliver us from inequity.

Bristol Oil refashioned

Six years ago, Paul Bristol, 48, was forecasting that his Bristol Oil and Minerals (then KCA International) would by now be "a major British force in the oil services industry comparable with the American giants." This week he resigned as chairman and chief executive. BOM is being turned into a property development company, and Bristol, while remaining a major shareholder, and company director, is heading the US to run a small but successful Denver-based production company, Bengal Oil and Gas.

When Bristol made his forecast in 1980, his ambition did not seem overblown. In the following year, BOM's market capitalisation soared from £20m to £85m. But no sooner had it taken delivery of a £27m drillship than that market collapsed and, as Bristol says, "it has been a struggle ever since."

After a debenture issue earlier this year, BOM sees its future in property development. Kent County Council is currently considering its plan for a £110m riverside village and marina on 300 acres near Rochester on the Medway. Bristol has thus handed over the management to two property experts, David Bulstrode, chairman, and Michael Lucas, managing director. BOM's oil interests are being consolidated in a subsidiary, Oprey Petroleum, which seems likely to be floated off in the near future — and Bristol heads for Denver where he is already chairman of Bengal, in which BOM has an interest.

"After so long on the defensive, it will be good to get moving forward again," he says. He has hardly been leaving the standing around, waiting for things to happen. Bristol had a varied early career — labourer, Army officer, razor blades salesman — and at one time seemed likely to enter politics. He was a founder of the Monday Club (but resigned as it moved further and further to the right) and fought a 1982

Men and Matters

by-election for the Conservatives.

He got into the oil industry in 1972, buying a 30 per cent stake with Colin Orr-Ewing in crude refiners, Berry Wiggins. He quickly turned Berry into an oil services group, acquiring KCA in 1974, and winning a boardroom bust-up in 1976.

By 1979 Bristol was recognised — along with such as Algy Cluff, Tony Crown Walker — as one of the independent oil sector's leading entrepreneurs. He hit the headlines with an unsuccessful, though profitable, raid on the shares of the shipping group, Furness Withy, through whose oil operations he saw the means of fulfilling his dream of creating an international oil services group.

Goose cooked

Chernobyl has just been voted the "Word of the Year" by the West German Philological Society in recognition of the way the once-obscure Ukrainian place-name has now become part of the German language. Even at Christmas time, fall-out from the Soviet disaster is continuing to cloud festive spirits in the Federal Republic.

In spite of safety checks from radiation specialists, geese from Poland — the favourite dish on Christmas Day — are being shunned by West German shoppers. The authorities say it is well below danger levels, but housewives have been leaving the plump Polish delicacies on the supermarket shelves and buying much more expensive German geese instead.

Ecological anxieties have been sprouting around Christmas trees, too. Dissatisfied with traditional firs and their soot-falling needles, German custo-



"Not much of an office party — just you, me and the word processors"

mers have been flocking to buy blue-needled pines which do not shed danger levels, but these trees need such large quantities of chemical fertilisers that environmental experts are worried about the increasing damage to forest planting areas.

Going Dutch

With the historical respect due to a second world war relic, the trust which has controlled the North American interests of Philips, the Dutch-based electrical giant, for the past 47 years has just been dismantled.

The United States Philips Trust was brought into existence in a hurry in 1939, not long before the Netherlands was invaded. The trust's purpose during those war years was to protect the group's US assets

from seizure. But it has survived into an era of very different conflicts.

Pieter Vink, chairman of the trust's governing committee, does not hesitate to use phrases like "global battle" when describing competition in present-day world markets for its consumer and industrial product. Terminating the trust is a move which has been under consideration for some time — will repatriate its assets to Philips' home base at Eindhoven.

Trading places

The old order is changing at the London Metal Exchange. Ted Jordan, LME committee chairman, is retiring at the end of the year after some 40 years in the metals trade. Jordan first visited the LME in the early 1960s as a sales manager for Enfield Rolling Mills, showing some of his customers around the trading floor. He became a subscriber, or individual member, of the LME, in 1970, was elected to the committee in 1975, and became chairman in 1985.

After helping to steer the LME through the troubles of the tin market and the debate over its future structure with the Securities and Investments Board, Jordan is looking forward to spending more time fishing, gardening and, above all, playing golf. But LME traders, who know Jordan as one of the Exchange's staunchest supporters, will not have to look far to find him. He is retiring from his directorship of Metallgesellschaft, the broking company, but will continue to act as its adviser.

Present trouble

One of my colleagues in the FT's communications centre is having great trouble buying a Christmas present for his five-year-old son. Whenever the boy is asked what he would like for Father Christmas, he shakes his head and says: "Oh no. It's still a secret."

Observer



Quality in an age of change.

STUDENT UNREST IN CHINA

'We can't wait 10,000 years'

By Robert Thomson in Shanghai and Robin Pauley, Asia Editor in London

STROLLING along the Bund on Shanghai's waterfront in the shadow of the majestic buildings that were the commercial heart of pre-Communist China, an engineer grappled with definitions of democracy and freedom. "We have more material things now. These mean nothing if we don't have individual rights and if the Chinese people can't choose their rulers."

But she could not give any clue as to his content. In the meantime, students in Shanghai and the 10 or so other Chinese cities that have seen protests in the past three weeks have made clear that they want sweeping reforms and the sooner the better — "we can't wait 10,000 years," read one student poster in Shanghai.

Another poster at Peking's Baida University said China was a tinder box waiting for a flame to ignite it and the country's students should be that flame.

The demonstrations were not reported in the Chinese press until thinly veiled official warnings about counter-revolutionary activity and counter-productive disruption started to appear.

sparked a fierce debate in government between the reformers, under Deng Xiaoping, and the conservatives. Deng's faction will have used the calls for democracy as further proof that economic reforms cannot be completed without some political reforms; his opponents will again have warned that reform is moving too quickly and major disruption and disorder, such as occurred in Shanghai, is what you get for going too far too fast.

the moonlight of capitalist society was brighter than our sun." Diplomats say Mr Peng and Deng Xiaoping, China's paramount leader, have very different definitions of democracy.

Instead, diplomats suspect that the Shanghai protests have damaged the reformers' case, as conservatives could cite the disruption as evidence that the party needs to tighten its grip, and that the country certainly cannot afford reform that lessens party power, as Mr Deng seemingly intends.

The pressure on reformers was perhaps behind the government's sudden shift from tolerance to criticism of the Shanghai protests.

The Chinese have long been aware that their country is economically backward. They know foreign tourists will spend more on a night in a plush hotel than some Chinese peasants earn in a year and yet they sense economic reforms are improving their lot.

Now, more and more Chinese, like the engineering student and the thousands of others who have protested in Shanghai streets in recent days, are aware that the country also lags far behind in human rights.

The students too are often vague, partly because they need to be for fear of being labelled counter-revolutionary and partly because the limits of what is on the streets and participating has often been

happy with the price rises caused by the introduction of economic reforms. The students made clear that the vast majority of their number support the economic programme and if anything, think it should be quickened. During the protests in People's Square, groups of workers gathered around the students to listen to their thoughts on democracy.

China has a long tradition of student protests, including the May 4 movement of 1919, which called for the end of foreign domination and the Cultural Revolution (1966-76) when Maoist-inspired students tried to oust each other in "redness."

What next? Student protests are likely to become more common. The party leadership, like the students in People's Square in recent days, will go into a huddle. Unless the leaders' vision is blurred by ideology, they should conclude that China has become more dynamic and opinions are more diverse and more creative government is required to handle the changing China.

'Let one hundred flowers bloom, and one hundred schools contend'—The Double Hundred Movement

greater than thinking about what it is they are trying to achieve by being there. But although they may not know much about the details of political structures, they do know what they do not like.

It is not clear whether the students co-ordinated their plans in advance, talked to each other by telephone or heard about each other's activities through the BBC World Service and Voice of America broadcasts, both of which are listened to avidly in China.

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Demonstrators throng the streets of Shanghai

Strategy for defence

From the Vice Chairman, Campaigns for Nuclear Disarmament

Sir, Ian Davidson's desire (December 15) to rule out Labour's defence policy is just a little too early to be effective. It also leads him to use sloppy phrases like "unilateral disarmament" when he means "British unilateral nuclear disarmament."

Unless one happens to be quite sure that some limited use of nuclear weapons will not lead to total catastrophe then flexible response is not a form of intelligent defence. It is simply suicidal nonsense. No one would be irrational enough to deliberately initiate an East-West war. The risks are too high. But if we start by escalating we propose to use nuclear weapons, if we have to, in order, as Mr Perle said the other day, "to prevail."

It is really no good finding fault with Labour's policy while at the heart of present Nato thinking such very dangerous ideas dominate. When Ian Davidson realises that nuclear weapons are not weapons there he will be in a position to point to Labour shortcomings. Bruce Kent, 23-24 Underwood Street, NI.

The accountancy profession

From Mr P. Boyle

Sir, a member of the Institute of Chartered Accountants of Scotland I would like to join I. T. Manning (December 12) in taking exception to your comment that the Institute of Chartered Accountants in England and Wales is the "most important accountancy body." The unfair way, however, in which he chooses to belittle chartered accountants does not help his cause and serves only to present to non-accountants an image of a divided and squabbling profession. The reality is somewhat different. Each of the six major bodies of professional accountants in Britain has a distinctive role to play and

Letters to the Editor

each is important. The six bodies co-operate formally through the medium of the Consultative Committee of Accountancy Bodies and informally in a variety of ways. The things that unite them are far more significant than the things that divide them even though the press considers the latter more newsworthy than the former.

Mr, in fact, any good R and D may be lost because of secrecy and the possible dismantling of the groups who did it. Some essential ideas have been trained, but not in as stimulating an atmosphere as that which exists in the university teams around a national or international accelerator.

Priorities in research

From D. Miller

Sir — You reported on December 19 that John Fairclough, chief scientific advisor in the Atomic Energy Research Establishment, believes that industry must take the lead in determining the priorities of academic research.

RIBA drawings collection

From Mr T. Lingard

Sir, — The informative article (December 15) by Colin Amery about the future of the Royal Institute of British Architects drawings collection offers a sensible solution to the as yet unresolved debate which recently surrounded this previously undervalued and underestimated collection. Reasons of finance and common sense dictate that the collection should remain at 21 Portman Square for the purpose of research and expand into 20 Portman Square when space becomes available.

As one of the most threatened of academic scientists, a particle physicist, I would like to know which industrialists have shown themselves to be qualified to determine our priorities? Have the magnates of GEC, who attempt to sweep their Nimrod project under the carpet about 10 times as much money as our Nimrod accelerator did in its 15 active years?

Our Nimrod made a number of fundamental discoveries and helped to lay the foundations of the modern "quark picture" of matter. It also served as a training ground for a large number of PhDs in the most exciting of mathematical, computational and technical fields. Many of these people are now in leading positions in high-technology industry. Our Nimrod, at the Rutherford Laboratory, was built to do a purely academic job. It did it at least as well as the comparable American machine (at Argonne National Laboratory near Chicago) and much better than anything the Russians had. It was closed down because we could not afford to work both at Nimrod and at Cern in Geneva. The Japanese, supposedly the most industrially hard-headed of nations, then built a similar machine called Kek to fill the gap we had left. GEC's Nimrod has given employment and profit to a number of people associated with GEC, but will the benefits to the nation match those of the Nimrod accelerator? No new principles have been made pub-

Public access to and general appreciation for the wealth of the collection would undoubtedly be increased given the greater ease with which visiting the headquarters of the RIBA at 66 Portland Place as an exhibition venue.

The hoisery scene

From the Chief Executive, Courtauld's Hoisery.

Sir, — May I correct a couple of references in Anthony Moreton's otherwise comprehensive and factual review (December 15) of the British hoisery scene. He is wrong to say that the market is growing slowly but he is rather too gloomy in emphasising industry over capacity and harassment by high imports. We expect the 1986 total market figures to show an increase on 1985, reflecting the results of good fashion marketing and investment in high technology machinery by ourselves and the other market players. Certainly our own performance in the UK this year shows encouraging progress.

Showing the gold card

From Mr G. Weiser

Sir, — Surely Mr Ashworth (December 20) is wrong in his analysis of the symbolism of the gold credit card? Does it not advertise, if anything, the fact that the holder not only needs but can afford not one or two (or more) bank overdrafts? Graham Weiser, 78 Rosebery Road, N10.

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## S. Korea videotape maker to open plant in Ireland

By Raymond Snoddy in London

ONE of the world's largest video tape manufacturers, Saehan Media Corporation, of South Korea, is to open a plant in the West of Ireland which will employ 800 within two years.

The £60m (\$83m) project is the first Korean investment in Ireland and the largest in Europe so far.

Saehan is a private company set up by Mr Chang Hi Lee, son of the founder and chairman of the Samsung group, Korea's largest conglomerate with annual sales of almost \$14bn.

The Saehan move is a further indication of the increasing internationalisation of South Korean companies. In October, Samsung became the first electronics company to manufacture in the UK when it announced the development of a plant in Cleveland, north-east England, to manufacture microwave ovens, video recorders and colour television sets.

Saehan chose Ireland after looking at several development areas in the UK.

Mr Christopher Hobbs, chairman of the Tape Manufacturers Group in the UK, said yesterday that government plans to impose a levy on blank tape - postponed for the time being - would have been a factor in Saehan's decision not to go to Britain.

"I am certain that would have been a negative factor in the decision-making," Mr Hobbs said.

Ireland's Industrial Development Agency (IDA) is providing in excess of £10m in capital grants for the project, to be housed in an empty textile factory in Sligo, and will also meet the cost of training labour.

Saehan, which employs 4,000 people in Korea and has annual sales of \$250m, will coat the basic film at its new Irish plant. The tape will then be supplied in reels for "own brand" video tapes but cassettes will also be assembled in Sligo.

The new Saehan subsidiary - Saehan Media Ireland - will supply markets in Europe, the Middle East and Africa.

Saehan believes that the market for video tapes is now growing at around 20 per cent a year and is expected to continue at that rate until the mid-1990s.

The company which began manufacturing video tapes in 1982 after nine years in the audio tape business is at present building a new factory in Korea which will double its production capacity.

● Millipore Corporation, a US specialist medical products company is to set up a manufacturing plant in Cork with the help of £10m. Up to 170 jobs will be created over five years.

## Record imports put UK trade balance in deficit

BY JANET BUSH IN LONDON

BRITAIN'S earnings from invisible trade failed to stop the current account swinging into a substantial deficit in November as imports surged to record levels.

Official figures published yesterday estimated that last month's current account was in deficit by £232m (\$334m) and October's modest £85m surplus had been revised to a small £35m shortfall. The visible trade deficit widened sharply to £1.03bn compared with £835m in the previous month.

The current account has now been negative for four successive months and it is now quite likely that it will show a deficit overall in 1986. Mr Nigel Lawson, the Chancellor of the Exchequer, forecast the account would be in rough balance this year.

Whitehall officials appeared to be pinning hopes on a seasonal bounce in exports and a deceleration in imports in December to keep the current account in balance. But they acknowledged that the usual surge in exports at this time of year had not seemed to materialise so far.

Mr Roy Hattersley, the opposition Labour Party Treasury spokesman, said the figures were disastrous and that the blame lay directly with the Government whose policy had so damaged manufacturing industry that it was unable to meet the needs of the British consumer.

"It is the Government which has encouraged the spending and credit explosion, knowing that much of the borrowed money will be spent on foreign goods," he said.

The deterioration can be traced both to the visible and invisible components of the balance of payments.

Exports improved in November, rising 5 per cent compared with the previous month, but imports rose even faster to a record £7.5bn, up 7 per cent.

Government officials said demand for imports was strong across all sectors, including consumer goods, and that November's figure seemed to re-establish this year's upward trend in non-oil imports after tentative signs in October that it had been flattening out.

The Government's projections for invisible earnings have yet again been revised downwards. It now expects a monthly surplus in the fourth quarter of the year of £900m rather than £900m.

Government statisticians had also overestimated invisibles in the third quarter, which turned out nearer £750m per month instead of £800m first projected.

There was a muted response in UK financial markets to the announcement yesterday, with few traders willing to build up new positions so near to Christmas.

Sterling ended a quiet day slightly higher overall. The Bank of England's trade weighted index closed at 68.6 compared with Monday's close of 68.5. The pound firmed to \$1.4535 at yesterday's close compared with the previous finish at \$1.4420, mostly due to the dollar's weakness.

UK government bonds dipped immediately after the figures only to recover their poise later in the trading.

## London moves to close 'grey market dealer'

By Nick Barker in London

BRITISH Government officials have asked the High Court to wind up Prior Harwin, one of London's handful of 'grey market' securities dealers.

The move has forced the company to stop trading. It followed a report by a Department of Trade and Industry (DTI) inspector who started inquiries in August after the company was late filing accounts.

Prior Harwin is best known as a licensed securities dealer making over-the-counter markets in shares of small, unlisted companies. But along with Cleveland Securities, another London-based dealer, it became publicly prominent last autumn for offering to make markets in British Gas and TSB Group shares before dealing started officially.

Such 'grey market' trading is legal in the UK but prohibited to stock exchange member-firms. It is regarded as risky for securities dealers and investors because of the threat that some clients will waltz on their bargains.

The news that Prior Harwin was in trouble broke yesterday morning when anxious investors were unable to reach it by telephone. One customer, Mr Edward Davison, said he had paid Prior Harwin about £8,000 for 11,000 shares in TSB but not yet received the certificates.

It emerged later that the DTI had presented a winding-up petition in the High Court on Monday.

The DTI's Official Receivers has now been appointed as Prior Harwin's provisional liquidator, pending a High Court hearing on January 27. The DTI's petition was accompanied by an affidavit alleging insolvency.

Mr Tony Prior, Prior Harwin's chairman, was bitterly critical last night of the action. He said it would make matters worse because Prior Harwin was still trying to settle up to 5,000 British Gas bargains, but many customers might now walk on their commitments.

"The DTI is quoted as saying that they did this for investor protection," Mr Prior said. "All I can say is that a lot of investors will be having an unhappy Christmas because they won't know where they are."

Prior Harwin was "perfectly solvent, very viable and very profitable," he said. It made £120,000 profit from trading in British Gas, while its liabilities totalled only £30,000, Mr Prior said.

"It seems the DTI just doesn't want licensed dealers. They have wiped out a lot of them in just the last few weeks," he said.

Prior Harwin has between 2,000 and 2,500 regular clients. But it had dealt with a lot more investors by telephone at the time of the British Gas and TSB flotations, said Mr Ian Bond, the Official Receiver's special manager in charge of safeguarding the company's assets.

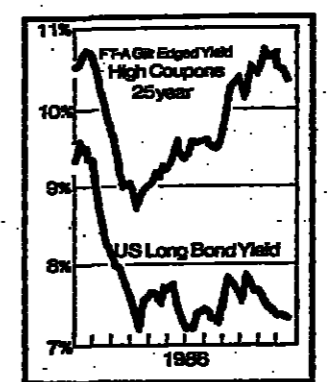
"There will be certain customers who have sold stock who have received cheques that have bounced," said Mr Bond, a Deloitte Haskins and Sells accountant.

Prior Harwin - which employed only about eight people - had "no material fixed assets," Mr Bond said, but was holding about 4m British Gas shares.

Yesterday's news shocked some of London's other licensed dealers, who operate under direct authorisation from the DTI.

## THE LEX COLUMN A gilt-edged Christmas card

Today's last minute rush to the shops is just the sort of thing the Scrooges in the gilt-edged market hate. Spending money on imported goods, bah, humbug!



Yesterday's trade figures for November, showing a larger-than-expected current account deficit, seemed to confirm fears that sterling's fall has still not checked import growth to below the rate of the rise in exports. Anyway a combination of a consumer boom and high real interest rates is not supposed to be sustainable for too long, according to the gilt market's psychology textbooks.

But even gilt traders are not such miseries as all that and with the year end looming and returned British Gas cheques being recycled, the market managed to perk up again after the figures were published, and starting recovered from its morning weakness.

It there is any fundamental analysis going on in the City of London at the moment, the argument for a run in the gilt market rests partly on the hope that the latest Opec agreement will stick. That view owes something to the season of goodwill, but an oil price at \$18, or even \$16 or \$17, would provide some support for the pound, by helping the balance of payments, and add a bit to Government revenues. It might even be that the Bank of England's recent forecast of \$20 oil next year has something to do with other official remarks about sterling now being low enough.

If the usual January starting crisis can be avoided and if hopes that there will be no further net gilt funding this fiscal year prove well-founded, there is a plausible argument for gilt yields falling.

That case is especially strong in an international context. The gap between the yield on long-dated gilts and on the US long bond looks wider than the fundamentals support. Indeed some interest from abroad has been behind the recent slight reduction in gilt yields, with some investors reportedly taking the full exchange rate exposure. The authorities' decision to make the latest index-linked stock free of tax to residents abroad - the first index-linked gilt with this feature - suggests that they, at least, expect foreign demand.

While overseas investors have not been particularly keen on inflation-proofed issues, such a long-dated issue, maturing in 2024, ought to be ideal for anyone who believes that in the long term exchange rates even up relative inflation rates. If that is so they can get a small, but guaranteed, real return.

The counter argument harks back to the spending boom. Although the money supply figures have been pushed into the background, the high rate of bank lending is still a worry. The gilt market is prepared to concede that pumping liquidity into the system now is a fair trade-off for a Tory election win, but it could turn out to be too high a price to pay. Those far-sighted enough to look beyond the election result can see a nasty squeeze following.

If that is as unconvincing in checking consumer spending as the rise in base rates has been since the autumn the market could be in for another sterling crisis and worsening inflation. Next Christmas might not be as happy as this one.

Yet the sector is now on an earnings multiple of only 1.1 times the market average, against a peak of 1.8 times in late 1977, during the last big consumer boom. The difference is that the sector then stood out as a fine inflation hedge, whereas now any inability to generate sizeable volume growth is put under a much clearer spotlight.

But the other main argument against buying the sector has recently suffered a reverse which has not yet fed through into share prices. Low oil prices were had for the pound, which meant higher interest rates - which was supposed to mean less discretionary spending. In the second half of the year, the oil sector has outperformed the market, on hopes of higher oil prices, but for some reason the secondary impact on the stores sector has been missing.

Phillips & Drew's economic forecast yesterday added its voice to the claims that the UK economy is on the verge of a pre-election boom. But the cynics among the institutions seem determined to be looking ahead to the stop that must follow the pre-election go. Perhaps this is one of those times that facts should be given as much credence as predictions.

### IC Gas

When a bid is referred to the UK Monopolies Commission the target company's share usually curls up at the edges. Indeed, it is the predictability of such share price movements which underlies investigations of insider dealings at the commission itself. A number of market makers were deeply suspicious of orders to sell shares in IC Gas the evening before Gulf Resources bid for that company - surprisingly - refused.

Yet those sellers have done badly. Although the IC Gas price fell 57p to 48p immediately the news became public, the shares have since stamped to 61p, even after going ex an 11p gross dividend. IC Gas's plans to split up into two companies could assist the realisation of assets worth up to about 65p a share. But the strength in the price seems more immediately connected with some very large buying orders from a client of Merrill Lynch. One way or another US investors seem to like British gas shares.

### Stores

The annual winter surge in the stores sector has been thought to be about as predictable as the fact that Christmas Day will fall on December 25. Yet this year the sector has underperformed the market since the beginning of September, and sharply so since early November, when the only big buying appears to have been in, rather than of, the stores.

It is not as if the retailers have had a disappointing Christmas. John Lewis, that bellwether of the Christmas market, reported that its sales in the second week of December were 15 per cent up on the corresponding period last year.

## Akzo loses US court appeal

BY CAROLINE STUDDERT IN AMSTERDAM

THE DUTCH chemicals and fibres group Akzo has lost a US federal court appeal against a five-year ban on imports to the US of its super-strong aramid fibre.

The ban was imposed by the US International Trade Commission (ITC) in November last year when it ruled that Akzo's fibre, known as Twaron infringing the patent held by the US chemicals group Du Pont.

The federal court in Washington unanimously upheld the ITC ban, taken on the grounds that imports of Akzo fibres would seriously damage Du Pont.

Akzo launched its appeal against the ITC ban after it was upheld by President Reagan in January this year despite efforts by Mr Ruud Lubbers, the Dutch Prime Minister, to persuade Mr Reagan that the ITC ruling was unfair and ignored Akzo's counter-claim of Du Pont infringement.

Akzo still has the option of appealing to the US supreme court within the next 90 days. A spokesman for Akzo's fibres subsidiary in the Netherlands, Enka, said the company had not yet decided whether or not it would appeal.

The export ban is effective until 1990 when Du Pont's patent runs out and could mean the loss of a potential 5 per cent to 10 per cent market share in the US for Akzo's fibre. Like Du Pont's rival Kevlar, Akzo's Twaron is a super-strong fibre used in a number of products including bullet-proof vests.

Akzo and Du Pont have been locked in patent disputes over their Aramid fibres since the end of the last decade. Du Pont has been making its Kevlar fibre for about 10 years, while Akzo is just starting up production at its Enka plant in Delft after a number of delays. World-wide market potential for Aramid fibres has been estimated at \$3bn, largely in the US and Europe.

## Japan lends \$2bn to Third World

BY IAN RODGER IN TOKYO

THE JAPANESE Government and leading financial institutions will sponsor over the next three years a \$2bn low-interest loan fund for the World Bank to help to recycle Japan's huge surplus funds through developing countries. The initiative is to be announced this morning.

World Bank officials in Tokyo said that the fund would be in addition to the ¥300bn (\$1.8bn) a year that the bank borrows annually from the Japanese Government and financial institutions.

Under the plan, the Japanese Government will subscribe for \$200m in loans to the new fund over the next three years, with the remaining \$1.8bn being subscribed by leading Japanese banks, securities companies and large institutional investors, such as insurance companies.

The idea would be to provide loans at well below the prevailing World Bank rate of 8.25 per cent.

The focus of the fund's efforts was not clear yesterday, but one insurance company official said he thought it would be directed mainly to those Latin American countries with strong growth potential but which are burdened by heavy debts. The hope was that the recycling effort could provide an early stimulus to the world economy.

Japan has been under increasing pressure from the developing countries to use its surpluses to help their economies. In September, it made a loan of SDRs 3bn (\$3.6bn) to the International Monetary Fund, and it has been stepping up bilateral aid to neighbouring countries, such as the Philippines.

● Japan and the US will extend for three years a pact pledging that Nippon Telegraph and Telephone (NTT) will not discriminate between foreign and Japanese suppliers in its procurements, a government official said.

The pact, which was to expire on December 31, was concluded in 1981 after US complaints that the then state-run NTT was buying only minuscule amounts from the US.

NTT became a private corporation on April 1, 1985, but the Government still owns nearly all the shares.

## Beirut: little hope of Christmas peace

Continued from Page 1

Giraffe was one of a handful of Red Cross workers who managed to evacuate Palestinian refugees needing hospital treatment from the besieged camp of Rashidiyeh in South Lebanon two weeks ago. "Part of my satisfaction is recruiting and training a category of people that does not want to destroy but to alleviate the suffering of others," he added. Giraffe, now a salaried Red Cross employee, earns \$100 a month. He has a bachelor's degree in International Relations and has given the Lebanese Red Cross seven years of service and devotion.

Other attitudes are less inspiring. In West Beirut, the many florists are seeing the sale of Christmas trees, once a booming business at this time of year, dwindle. Some have had threats from Hizballah, a group which aims to establish an Islamic Republic in Lebanon. Posters for a Christmas party were ripped down from the bulletin boards at the American University of Beirut.

Mr Ibrahim Tokkoush and his son, Zakariyya, who run a pave-

ment flower and plant shop on Jeanne D'Arc street, ordered only 20 Christmas trees this season. "Before the war, (the current phase of the civil strife began in 1975) we would charter planes full of Christmas trees and order them by the hundreds. In 1983 we sold over 400 Christmas trees, in 1984 we sold 100 and last year only 20 were bought," Mr Tokkoush, a Sunni Moslem says.

In West Beirut, customers have been making impossible demands. "I want a small Christmas tree. Can you put it in a paper bag? Can you deliver it at night so my neighbour's cannot see I'm a Christian?" are but a few.

Fears of kidnapping have driven Christians away to East Beirut or overseas. Those who have stayed celebrate in hiding. Keeping their lit Christmas trees away from glass windows. Mr Tokkoush recalls the days when flower vendors would stay open day and night for three days before Christmas to keep up with the demand.

"On Christmas Eve, we closed with the chimes of churchbells for midnight mass. Everyone was free then. People went walking to Church, chatting, waving, wishing Merry Christmas... Now, I am ordering trees that are two feet high so they can be easily concealed."

On Sidani street and Makhoul Party, the national Syrian Social Party horns an area where it controls with plastic bells and bulbs. The colours and lights are pretty at night when there is electricity. The NNSP, a secular group, insists that everyone should be allowed to celebrate. NNSP members can afford to go against the wishes of the other bearded militants, because they have guns too.

Party spokesmen argue strongly for religious tolerance and denounce the currents of fundamentalism and fanaticism ravaging Lebanon. The pro-Syrian group also organizes festivities on Moslem feasts such as the prophet's birthday and Ramadan for people in the

neighbourhood. On all occasions, armed guards are in charge.

Children are getting used to the thought of needing armed protection for a Christmas tree or party. An enterprising road salesman has set up a pubcart at the corner of the NNSP office full of dolls, Christmas decorations and little battery-run Santa Claus figures playing drums as well as a plentiful supply of toy pistols and plastic laser ray guns. "This is the season of guns. Everyone has them so the children ask for them too," he said.

Some find it hard to be so mercenary. Mr Issam Yamout, a Sunni Moslem who would dress up as Santa Claus for all the neighborhood children on Sadat street has vowed not to do so anymore. "I used to love to do it, give out the presents, sweets to the children. But what's the point if Santa Claus has to go around with bodyguards? Can you imagine how the children will feel if someone throws something at me or shoots while they are looking?"

## Warner comes to the rescue of Cannon

Continued from Page 1

for the balance of the purchase price.

Cannon also yesterday issued Warner with warrants to buy 500,000 Cannon shares at \$15 a share. When the main deal is completed, Warner will be given the right to buy an additional 250,000 shares at the same price.

As part of the complex transaction Cannon is restructuring and extending credit agreements with its banks to fund the company's continuing film production programme.

Mr Yoram Globus, president of Cannon, said yesterday the deal and accompanying short-term increases in bank credit "provide Cannon with the liquidity and capital to stabilise our financial condition and to pursue our business plans over the next year."

Warner clearly drove a hard bargain in talks which nearly broke down on several occasions, but the agreement has given Cannon breathing space.

The company is still facing a formal Securities and Exchange Commission inquiry, is losing money and is also looking for a hit at the box office after a run of failures.

**World Weather**

Alexandria	18	24
Algiers	17	21
Amsterdam	11	15
Antwerp	10	14
Bangkok	28	34
Beijing	1	5
Bombay	24	30
Buenos Aires	17	21
Calcutta	26	32
Cairo	19	25
Canton	15	19
Chicago	10	14
Colombo	27	33
Hankow	5	9
Hong Kong	19	25
Kobe	14	18
London	11	15
Lyons	10	14
Manila	26	32
Medan	27	33
Osaka	14	18
Paris	10	14
Peking	1	5
Rangoon	28	34
Seoul	1	5
Singapore	28	34
Tokyo	14	18
Yokohama	14	18

Readings at midday yesterday.  
 C-Celsius; D-Degrees; F-Fahrenheit; H-Hall; H-Hall; S-Sun; W-Wind; W-Wind; T-Temperature

## French rail dispute

Continued from Page 1

Mr Andre Bergeron, leader of the centrist union Force Ouvriere, warned the Government that it would have to concede something if it wanted to put an end to the wave of social conflict now sweeping France.

Three smaller unions yesterday agreed to an improved pay offer from SNCF totalling 1.7 per cent, but the majority left-wing unions refused to accept the offer. Mr Bergeron's FC joined an appeal for an immediate return to work on the railways but reserved its decision on the pay offer.

The Government has set a limit of 3 per cent on the increase in the public sector wage bill next year in order to remain within close range of its inflation target of 2 per cent.

One ray of sunshine came with the resumption yesterday of ferry services to Corsica following the settlement of a seamen's dispute.

But the threat of further difficulties over the public sector pay round came with a demand from the independent federation of police unions for an immediate opening of negotiations on the loss of policemen's purchasing power.

Last week the Government attempted to appease a farmers protest movement among growers by granting a FF 2bn (\$300m) aid package to help compensate farmers for the decline in their incomes in the last few years.

# AN UNBEATABLE FINANCIAL PACKAGE

IT'S WHAT WE'RE CUT OUT FOR

FOR NAME COMPANY

TITLE ADDRESS TELEPHONE

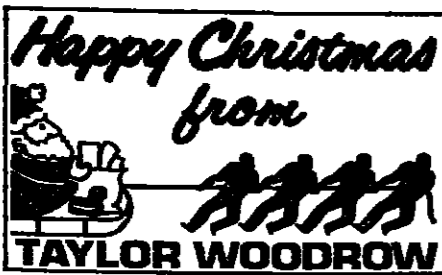
Send for the Clwyd fact pack

Our package can include cheap loans, cash grants, rent concessions, factories from only £1.50 per sq ft, training assistance, WDA finance, a Technology Park and the Delyn Enterprise Zone.

For further information contact The Clwyd Industry Team, Clwyd County Council, Shire Hall, Mold, Clwyd CH7 6NE. Tel. 0352-2121

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هكمانه الامم



SECTION II - COMPANIES AND MARKETS FINANCIAL TIMES

Wednesday December 24 1986



Mazda Motor earnings slide 71% at pre-tax level

BY IAN RODGER IN TOKYO

PRE-TAX profits of Mazda Motor, Japan's third largest motor manufacturer, plunged 71.4 per cent to ¥30.34bn (\$124.9m) in the year to October because of the impact of the high yen on export earnings. The company is expecting a further erosion in pre-tax profit to about ¥15bn this year because of the squeeze on margins. It said the market in Japan and many other countries remains difficult because of severe competition, intensified by many new models introduced by competitors. Despite the disappointing results, Mazda's production and sales continue to rise. Turnover rose 3.6 per cent to ¥1,626.2bn last year and is forecast to

grow by about ¥60bn this year. The projections assume the dollar's value will average ¥160 in the first half of next year and ¥150 in the second half. Factory sales rose 6.4 per cent to 1.4m units last year, and are expected to reach 1.5m units in the current year, mainly because of a build up of production at new associated factories in South Korea, Mexico and Taiwan. Also, the company's US plant is due to begin production next September. Passenger car sales were up 4.8 per cent last year to 897,359 units and commercial vehicle sales rose 9.5 per cent to 507,811 units. Domestic sales rose 4.5 per cent to 357,223 units while overseas sales rose

Puig buys Paco Rabanne Couture

By George Graham in Paris

THE PACO RABANNE fashion company is to be reunited with its perfumes twin. Paris, the Spanish cosmetics group which already owns Paco Rabanne Parfums, has now bought the couture house of the same name from a group of Dutch and Swiss investors. Mr Paco Rabanne will continue to provide the creativity in the fashion and accessories business, while the Dutch and Swiss owners will work to co-ordinate their activities. Mr Guy Laysenne, president of Paco Rabanne Parfums, said Puig did not intend to merge the two companies but to co-ordinate their activities. A joint effort is expected in the area of licences and exports, and particularly in duty free sales, which account for 40 per cent of the perfume company's turnover.

Puig, a Catalan family-controlled group which leads the Spanish cosmetics market, is expected to acquire the couture and fragrance companies bearing the same name. Yves St Laurent has recently bought back its perfumes from the US Sephora group. Paco Rabanne Haute Couture's turnover is expected to be around FF 300m (\$46m) in 1986, compared with FF 350m for the perfumes operation. No price was revealed for the purchase.

Greyhound bus services disposed of for \$350m

BY ANATOLE KALETSKY IN NEW YORK

GREYHOUND LINES, the largest US passenger bus network, is being sold to a group of private investors after the rejection of management demands for wage concessions by the Amalgamated Transit Union. Greyhound Corporation, the Phoenix-based conglomerate which has developed over the years on the foundation of the well-known bus line, announced yesterday that Mr Fred Curry of Dallas—a former chief executive of Greyhound's main competitor, Trailways Inc—was leading an investor group which had agreed to pay \$350m for

Greyhound's US bus operations. The transaction, which excludes most of Greyhound's real estate properties, is due to be completed no later than mid-March and should produce a capital gain for Greyhound, since the bus line's assets have a book value of about \$115m. The deal came as no surprise because the Greyhound Corporation had warned in October that it would sell or liquidate the bus lines if its employees failed to meet demands for cuts in labour costs. However, contrary to expectations that such a sale would

Coronet in offers for Carr Boyd and affiliate

By Kenneth Hurston, Mining Editor

THE AUSTRALIAN Coronet group is making unconditional bids for Carr Boyd Minerals, the gold producer, and Hill Minerals, its associate, which value the two companies at around A\$97.6m (\$45.8m, US\$68m) and A\$55.1m respectively. The offers are: three shares in Queen Margaret Gold plus 30 cents cash for each share in Carr Boyd; two shares in Spargo's plus 10 cents cash for each share in Hill Minerals. Carr Boyd controls 32 per cent of Hill Minerals which, in turn, holds 24 per cent of Carr Boyd. Mr Bill Galbraith, chairman of Carr Boyd and a director of Hill Minerals said: "As well known in the City, the Carr Boyd group has always worked for the interests of its shareholders and in this particular case will continue to protect the interest of the majority of its shareholders. We will advise shareholders as soon as we have reviewed the situation and as quickly as possible."

Swiss cement group reshapes

BY JOHN WICKS IN ZURICH

HOLDERBANK Financiere GILUS has carried out an assets swap with Schweizerische Cement-Industrie-Gesellschaft, another Swiss cement-industry holding company. The move strengthens Holderbank's position in the US and restructures its operations in Switzerland. Holderbank has already agreed to acquire a 67 per cent stake of Ideal Basic Industries, a Denver-based company. This takeover, priced at some \$110m, will add about \$30m a year to Holderbank group turnover. The Swiss group claims it also makes it the biggest single cement producer in North America. While the Ideal Basic Industries deal was said to autumn to be the only alternative to a bankruptcy court reorganisation for the Denver company, Holderbank now says it believes

there could be a return to profitability in the next fiscal year. In connection with this transaction, Holderbank said it was "necessary to adjust its participation" in the Dundee Cement Company, of Dundee, Michigan, in which it holds a minority interest. Dundee runs two cement works in the Midwest and has a holding in a South Carolina company, Santee Portland Cement, of Holly Hill. To this end, Holderbank has taken over "a large block of shares" in Dundee from Schweizerische CIG, as well as several other unspecified participations in Holderbank companies and Portlandcement-fabrik Oiten, the Swiss cement works. In exchange, Schweizerische CIG will take over Holderbank's Swiss cement-works subsidiaries

Bond to spin off media side through rights

By Our Financial Staff

BOND CORPORATION Holdings, Mr Alan Bond's Perth based media company, is to spin off its film and broadcasting interests through a rights issue which will give shareholders in Bond 50 per cent of a new 100-cm company, Bond Media Holdings. The parent will retain the remainder of the unit, and the public flotation is planned. Terms of the rights also remain undisclosed yesterday. Bond Media will include television channels operated by the group in Perth and Brisbane, as well as three radio stations and a film library with some 2,000 titles licensed for TV screening. The group linked the move yesterday to proposed changes in Australian Government legislation governing the media. These seek to separate ownership of press interests—where Bond has no significant involvement—from that of broadcasting.

US blood tester deal by Akzo

BY CAROLINE STUDDERT

AKZO, the Dutch chemicals and fibres group, has acquired the blood bank reagents and immuno-chemicals business of Cooper Development Company of California for an undisclosed sum. The unit, Cooper Technicon, is based in Pennsylvania and has a staff of about 250. It will become part of Organon Teknika, the diagnostic subsidiary of Akzo Pharma, the Dutch group's health care division. The acquisition will give Organon Teknika a leading market position in blood-grouping reagents used by blood banks, and in immuno-chemicals for research institutes. Akzo believes it will also help accelerate market penetration of Organon Teknika's new products in the US. The Belgian-based Organon Teknika is a worldwide supplier of diagnostic tests for Aids, hepatitis, rubella (German measles), and for pregnancy. After the acquisition, Organon Teknika will have a 50 per cent share in the US research institute market for immuno-chemical reagents, the

company said. These are substances, like monoclonal or polyclonal antibodies, used to detect other substances in blood or body fluids. Outside the US, Organon Teknika already claims a market share of 35 per cent worldwide in blood bank reagents, with turnover of several hundreds of guilders. Cooper Development estimates its blood bank reagents market share in the US at 20 per cent. It develops, acquires and invests in businesses involved in emerging medical technology.

Superfos plans fertiliser sale

By Our Copenhagen Correspondent

THE STATE-OWNED Finnish chemicals and fertiliser concern Kemira OY is to participate in a newly formed fertiliser subsidiary of Superfos, the troubled Danish-based chemical, feedstuffs, packaging and construction group, Superfos announced yesterday. Kemira OY is to take 65 per cent of the shares in the new Superfos fertiliser division to be formed at the new year under the title Superfos Fertilisers. The new fertiliser subsidiary will have a share capital of Dkr 400m (\$52.7m), a balance of Dkr 1.5bn and a staff of 1,000. Expected turnover is put at Dkr 1.5bn in its first year of operation.

Opec pact helps Eurosterling bonds

BY CLARE PEARSON IN LONDON

PRICES OF Eurosterling bonds were firm yesterday with continued strong retail demand prompted by the recent Opec agreement on oil production. The dollar Eurobond market was inactive. The D-Mark sector presented a similar picture. But prices in Switzerland contin-

ued their firm trend in high volume. Issues for Canadian borrowers in general improved and Alcan's SFY 178m bond closed at 96 1/2, up 1/2 point on the day. Vestfjord's SFY 140m two tranches also moved up in price. The tranche for payment in January gained a point to close at par, its issue price, while the tranche payable next May gained 1/2 point to close at 96 1/2. Generale Bank led a Bfr 6.5bn 10-year bond for Euratom in the Belgian domestic market. The 7 1/2 per cent bond, priced at 96, is callable after five years at 103 and thereafter at premiums declining to 101 after nine years.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on December 23

Table with columns for Bond Name, Issued, Maturity, Coupon, Price, Yield, and Change. Includes sections for US DOLLAR, OTHER STRANDED, FLUATING RATE, CONVERTIBLE, and SWISS FRANC.

This announcement appears as a matter of record only.

NEW ISSUE YODOGAWA STEEL WORKS, LTD. U.S. \$70,000,000 3 3/8 per cent. Guaranteed Notes 1991 with Warrants

Coopers & Lybrand back in second place. By Barry Riley. COOPERS AND LYBRAND has briefly regained second position in the world accounting league table by raising its global fee income by 21 per cent to just over \$1.7bn in the year ended September 30. It moves ahead of Peat Marwick International which recently reported worldwide fee income of \$1.67bn for the same period.

The Fuji Bank, Limited Issue price 100 per cent. Yamaichi International (Europe) Limited, Fuji International Finance Limited, Banque Paribas Capital Markets Limited, Credit Suisse First Boston Limited, Daiwa Bank (Capital Management) Limited, Robert Fleming & Co. Limited, Kleinwort Benson Limited, Kyowa Bank Nederland N.V., New Japan Securities Europe Limited, The Nikko Securities Co., (Europe) Ltd., Nomura International Limited, Svenska Handelsbanken Group, Yasuda Trust Europe Limited

UK COMPANY NEWS

Westland profits surprise the City

BY NIKKI TAIT

Westland, the UK helicopter company at the centre of a political storm earlier this year, yesterday gave the City a pleasant surprise when it unveiled a 14-month profit figure to mid-November.

The company said it had been forced to make the announcement in order to pay a dividend to its preference shareholders.

As a consequence of the capital reduction which was approved by shareholders back in February, the company was obliged to freeze any profits earned in the year to end-September in a special undistributable reserve.

Before it could make the payment—costing £1.3m and due to be paid to shareholders on the register at December 12—it had to prove that it had earned sufficient distributable profits since the year-end.

Berisfords unlikely to meet its forecast

BY ALICE RAWSTHORN

Berisfords Group, which earlier this year successfully fought off a £2m bid from Allied Textile Companies, yesterday warned shareholders that it was unlikely to meet the £900,000 profits forecast it made last May for the 1985-86 year.

Pilkington strengthens its defences

By Martin Dickson Pilkington Brothers, the glassmaking company fighting a £1.1bn hostile takeover bid from BTR, the industrial conglomerate, has appointed a second public relations adviser.

WPP in £8.4m US expansion

BY MIKE SMITH

WPP Group, the fast-growing marketing company, yesterday announced its second US acquisition.

Shares in WPP rose 15p to 68p yesterday, compared with 44p 20 months ago, before Sorrell and Mr Rabl decided to buy shares in and take part in the running of the company.

Harvard provides services including design, copywriting, media buying, graphics and the production of promotional material to leading financial institutions.

US stationer postpones its flotation on USM

BY ALICE RAWSTHORN

SPM, a US stationery manufacturer which planned to go public on the Unlisted Securities Market this month, has postponed its flotation indefinitely.

Santa Barbara Savings and Loan Association
(incorporated under the laws of the State of California)
U.S. \$400,000,000
Collateralized Floating Rate Notes due September 1996

Bad debt pushes Monk losses to over £1.5m
A Monk and Co, which was taken over by Davy Corporation in November, reported increased pre-tax losses of £1.5m, against £419,000, for the six months to the end of August 1988.

Yeates steps up Plaxton's stake to 8.7%
W. S. Yeates, the Loughborough-based coach and car distribution group whose shares are dealt in on the over-the-counter market, has increased its stake in Plaxton (GB), the Scarborough coachbody builders, to 8.7 per cent.

BANCO DI ROMA
U.S. \$200,000,000
Floating Rate Subordinated Loan Participation Certificates due 2001

I.G. INDEX
FT for December
1,292.128 (+12)
Tel: 01-428 5699

Receivers into F Parker
The Frederick Parker Group, manufacturer of stone crushing and grading equipment, yesterday announced that it had gone into receivership.

Caution from Sterling Inds.
Sterling Industries light engineer delivered a note of caution with the announcement of a £74,000 increase to £458,000 in pre-tax profits for the six months ended September 30 1988.

Microfilm Reprographics p.l.c.
(incorporated under the Companies Acts 1948 to 1967 with registered number 977839)
INTRODUCTION TO THE OFFICIAL LIST Share Capital
Authorized £1,850,000 Issued and fully paid £1,398,867.10

DIVIDENDS ANNOUNCED
Date of payment
Current of preceding year
Corresponding year

Table with 4 columns: Company, Dividend, Date, and Yield. Includes Berisfords Group, Forminster, and Sterling Inds.

GRANVILLE SPONSORED SECURITIES table with columns: High, Low, Company, Price, Change, Div., Yield, % P/E

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DUNDEE AND LONDON INVESTMENT TRUST PLC
Extract from the Report and Accounts for year ended 31 October 1988. Table with columns: 1986, 1987, 1988.

United Kingdom
U.S. \$4,000,000,000
Floating Rate Notes Due 1996
S.G. Warburg & Co. Ltd. Agent Bank

KOREA EXCHANGE BANK
US\$500,000,000
Floating Rate Notes due 1993
Lloyds Asia Limited Agent Bank

US\$500,000,000
The Prudential Insurance Company of America
Collateralized Mortgage Obligations Series 1986-1

AIBD BOND INDICES table with columns: Bond Index, 12 Months, 24 Months, 36 Months.



AUTHORISED UNIT TRUST & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, addresses, and product descriptions.

Handwritten signature or initials in a box at the bottom center of the page.



INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, company, and numerical values.

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MANAGEMENT SERVICES

Table listing management services with columns for company name and numerical values.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas funds with columns for fund name, company, and numerical values.

MONEY MARKET TRUST FUNDS

Table listing money market trust funds with columns for fund name, company, and numerical values.

BANK ACCOUNTS

Table listing bank accounts with columns for account name, company, and numerical values.



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TRADITIONAL OPTIONS

Table listing traditional options with columns for option name, company, and numerical values.

COMMODITIES AND AGRICULTURE

Chris Sherwell on Australia's decision not to tax miners Tax victory boosts gold shares

AUSTRALIAN GOLD mining interests and investors in gold stocks have reacted enthusiastically to the Government's announcement one week ago that gold mining companies would continue to receive the income tax exemptions they have enjoyed for decades.

Over the past week, recommendations for the removal of two of the three tax exemptions enjoyed by gold mining companies—one of them for more than 60 years.

Moreover, the tax exemptions were originally to help an industry in the doldrums. Over the past five years, he pointed out, production had risen 25 per cent annually and was expected

AUSTRALIA'S MAJOR GOLD PRODUCERS table with columns for Company, Operation, and 1986 mine output (oz).

introducing taxation, he clearly mitigated its impact by recommending special arrangements to exempt low-output. Low-income producers—at least 90 per cent of Australia's 1,200 active producers are "subsistence miners."

Yet the Government backed down, saying the importance of encouraging active exploration and development and of maximizing production and consequent export income, outweighed the arguments in favour of removing the exemption.

Mr Gutzman had disputed all the reasons advanced for retaining the exemption.

Through marginal projects have also underlined Australia's serious balance of payments problems. The country has one of the largest current account deficits in the world, both absolutely and as a proportion of gross national product.

On this basis, the industry has said, every incentive should be given to produce an easily extractable and marketable commodity like gold, which currently has a firm price.

With the arguments so finely balanced, it was perhaps inevitable that other factors intervened, politics being one of them. After all, the story of gold mining in Australia is in many ways the story of Australia and Australia which is arguably the most influential.

Certainly Mr Keating's controversial decision not to restore tax equity by abolishing the gold tax exemption is widely reckoned to have been propelled ultimately by Labor Party fears concerning the political consequences.

According to some calculations, the loss of a dozen marginal electoral seats in mining constituencies might have been affected by removal of the exemptions. No one can say these risks will have looked too great with re-election due by April 1988 at the latest, and some Labor politicians freely voiced their relief at the final decision.

When it came, the Government met considerable criticism in the press, but the Liberal Party opposition has made little of it, perhaps because it too accepts that the issue is electorally sensitive.

Through all these arguments, it is perhaps worth remembering that Australian gold mining companies still have other taxes to pay just like everybody else. As one Perth-based gold investor says—only half jokingly—perhaps the real answer to the problem would be to provide exemptions and to lower taxes for the other industries as well.

LONDON MARKETS

COFFEE prices fell further ground on the London futures market yesterday as the continued lack of news on Brazilian export terms, slack physical trade and the absence of chart support meant that little resistance was presented to the downward trend caused by persistent trade and speculative liquidation.

A \$25 fall in the March position erased what remained of last week's rally and took the price to a fresh 44-month low of \$1,742.50 a tonne. On the London Exchange, copper values also extended Monday's losses with the cash Grade A quotation falling to \$216.50 a tonne taking the fall on the week so far to \$1,742.50 a tonne. Dealers attributed the fall to currency and chart-inspired selling plus the operation of stop-loss orders. But they said short covering support appeared towards the close.

INDICES

REUTERS DOW JONES table with columns for Dec 22, 1986, and Dec 21, 1986.

MAIN PRICE CHANGES

Table showing price changes for various commodities like Aluminium, Copper, Lead, Zinc, Nickel, Tin, and Wheat.

WEEKLY METALS

Table showing weekly metal prices for Antimony, Bismuth, Cadmium, Mercury, Molybdenum, Selenium, Tungsten, Vanadium, Uranium, and Tin.

GOLD

Gold fell \$4 in an ounce from Monday's level in the London futures market yesterday to finish at \$389.88.

SILVER

Silver was firmed 2.55p an ounce lower for spot delivery in the London market yesterday to \$27.32.

SOYABEAN MEAL

Poybeans were under pressure throughout the session with keen commercial selling pushing values to the lows.

CRUDE OIL

Crude oil moved lower on pre-holiday profit-taking, reports Drexel Burnham Lambert. Support at \$17.90 level, basis February, was penetrated. The next support level lies at \$16.80.

NEW YORK

ALUMINIUM 40,000 lb. cents/lb. Prev Dec 20 50.10 High 50.25 Low 49.75

CHICAGO

LIVE CATTLE 400 lb. cents/lb. Prev Dec 20 50.10 High 50.25 Low 49.75

SOYABEAN

5.00 lb. min. cents/100 lb bushel. Prev Dec 20 27.50 High 27.60 Low 27.40

WHEAT

5,000 bu min. cents/100 lb bushel. Prev Dec 20 27.50 High 27.60 Low 27.40

GRAINS

Old crop wheat remained extremely quiet but found light long interest and commission house buying against modest country buying. Prices remained in narrow range.

POTATOES

Weak UK and Dutch physical markets continued to depress futures and in this volume values fell throughout the day.

CRUDE OIL

Crude trade was predictably thin and mostly in February Brent, for which talking values fluctuated between \$17.00 and \$17.35 but closed unchanged from Monday's Houston close.

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US MARKETS

Table showing US market prices for various commodities like Crude Oil, Soybean, Wheat, and Corn.

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Brazilian orange juice sales surge but earnings fall

BY IVO DAWNAY IN RIO DE JANEIRO

BRAZILIAN ORANGE juice exports have increased by nearly 50 per cent this year, but the fall in world prices mean earnings are likely to drop back by 16 per cent from those achieved in 1985.

According to Abrasuco, the Brazilian industry's association, the year-end figure will be sales totalling some 762,200 tonnes, valued at \$622m (\$430m). When citrus pellets and other by-products such as oils are added, the country will have earned more than \$700m (\$485m) from foreign sales.

Mr Mario Branco Peres, the president of Abrasuco, told a press conference in Sao Paulo that the industry expected an improved market in the new year after price rises in the New York market.

Within Brazil, the perspectives for the industry have also changed radically following a massive rise in domestic consumption. The number of boxes sold to the home market has risen from 17m to 60m this year, significantly reducing stocks, which last year were boosted by a carry-over of 250,000 tonnes.

If the upsurge in demand continues, the industry believes that surpluses at the end of the coming harvest are unlikely to be excessive. Brazil's new outlook has already had its impact on world prices which, after averaging just under \$900 a tonne between July and September, are now approaching \$950.

A resurgence in buying from the European Economic Community is also indicated, after a fall-off following the resurgence of Florida's European sales when the effects of frost damage receded.

US sales account for some 60 per cent of Brazil's juice exports compared with 28 per cent sold to the EEC. The Brazilian's success in the US, where its sales now command some 50 per cent of the total market, provoked heavy pressure on Washington by the Florida Citrus Association this autumn.

This led to the imposition of a provisional anti-dumping duty of 5.5 per cent on Brazilian juice.

Abrasuco is now expressing concern over Italian and Spanish pressure on the EEC authorities to contain its sales. In a meet-

ing with the European Commission last week the association was told that increases in its import tariffs—currently 19 per cent—or the imposition of quotas or minimum prices could not be ruled out.

In spite of this, the Brazilian industry is aiming to lift its export sales to \$800m next year by finding new markets and expanding on the 16,000 tonnes currently being sold to Japan.

Venezuelan coal mining capital

CARBOZULIA, the Venezuelan Government-owned company that is to develop coal deposits in the country's western state of Zulia, was assigned a budget of \$300m for 1987, according to a report.

Carbozulia will begin exporting small volumes of coal in 1987 to Europe, the Caribbean and possibly north America in order to familiarise potential clients with its product, a company official said. Large-scale commercial production is expected to begin in 1988.

US deals another blow to 'King Sugar'

BY CANUTE JAMES IN KINGSTON

"IT IS as if they have just cut the jugular to Caribbean sugar," said Dr Peter Laurie, the Barbadian ambassador to Washington. His complaint was about the new US sugar import quotas announced last week by Mr Richard Lyng, the Agriculture Secretary. The number of boxes sold to the home market has risen from 17m to 60m this year, significantly reducing stocks, which last year were boosted by a carry-over of 250,000 tonnes.

ation of the Caribbean, a federation of producers' organisations in the Commonwealth countries of the region.

Mr Davis said the US quotas for the Commonwealth Caribbean producers had fallen from 121,800 tonnes in 1985, to 89,980 tonnes this year, to 48,450 tonnes for next year.

"With these progressive reductions in sugar quotas, the US is inflicting economic disaster on the region. Over the years we have been reliable suppliers of high quality sugar to the US market. Over the years we have been assured time and time again that everything possible would be done to ensure that performance as regular and responsible suppliers to the US would not be forgotten and our interests would be taken into account."

"These assurances by the US have proven to be as light and as insubstantial as the wind."

Dr Laurie described the US cuts as a disaster for Caribbean economies, adding: "It is, in my view, a whole negation of what the Caribbean Basin Initiative was supposed to stand for."

The incentive, is a 12-year trade incentive, implemented January 1984, which allows selected countries to ship a range of goods duty free to the US. Sugar is not allowed this preferential entry.

Dr Laurie said Barbados, which has a 1987 quota of 7,000 tonnes, had been assured by Washington that its quota would not be touched because it was already at the lowest

domestic demand, and will use whatever thousand acres traditionally under cane for other crops.

The hopes of Guyana's state owned industry of breaking even next year could be undermined by the quota reduction.

The industry recorded an operating loss of \$18.25m last year, and expects to lose another \$8.25m this year.

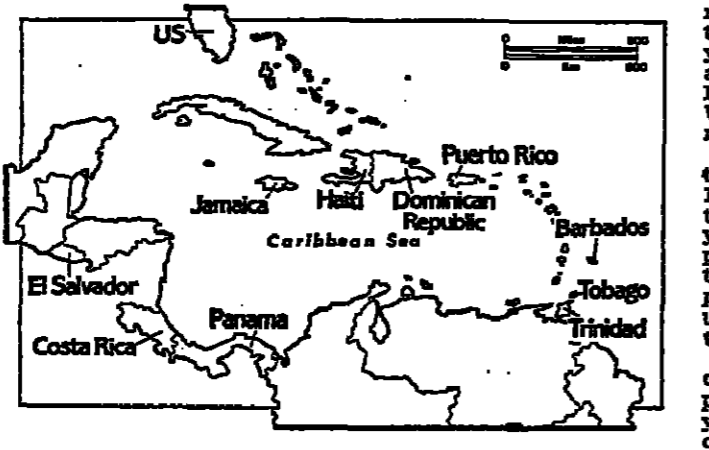
The hope of breaking even next year had been based on a rationalisation of the industry to produce 250,000 tonnes per year to meet domestic demand and the country's quotas to the European Community and the US. The country's US quota for next year is now 10,000 tonnes.

Output last year was 249,000 tonnes, with production of 124,470 tonnes in the first of the industry's two crops this year indicated that the year's production could reach 270,000 tonnes. The Guyana Sugar Corporation is reducing the land under cane from 120,000 acres to 95,000 acres.

Despite a pre-harvest forecast of 80,000 tonnes, Belize produced 93,300 tonnes this year. But plans to install new capacity to raise output by 20,000 tonnes per year may have to be revised following the reduction in the US quota to 7,000 tonnes.

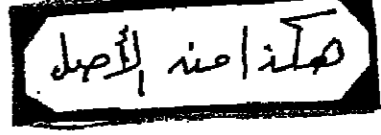
The Jamaican Government is to appeal the US quota reductions. The island's output this year was 200,287 tonnes, after the industry had set a target of 220,000 tonnes. Jamaica's 1987 US quota has been reduced to 9,000 tonnes.

Dr Percival Broderick, the island's Agriculture Minister, said the sugar industry earns about \$67m each year and could not be ignored "against this background I will make a special appeal to the US Government to recognise the importance of sugar to the Jamaican economy," Dr Broderick said.



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Advertisements for 'Appointments Advertising' and 'MEAT COMMISSION'.



FOREIGN EXCHANGES

Dollar at six year low

THE DOLLAR lost ground in very tight trading in currency markets yesterday. Against the D-Mark it touched a six-year low but dealers stressed that this was mainly a result of the very low volume traded.

Worse than expected UK trade figures appeared to have little effect and the pound closed at \$1.4555 from \$1.4420 and \$1.2875 compared with DM 2.6255 against the yen rose to ¥236.50 from ¥234.50 but eased in terms of the Swiss franc to SFr 2.3850 from SFr 2.3825. It was higher against the French franc at FF 6.6550 from FF 6.57.

D-MARK - Trading range against the dollar in 1986 is 2.4718 to 1.9686. November average 2.6227. Exchange rate index 164.3 compared with 154.4 last month.

There was no intervention by the Bundesbank yesterday's fixing in Frankfurt when the dollar was fixed at DM 1.9705 compared with DM 1.9658 on Monday. The US unit touched a six year low and the fixing was its lowest since December 1, not far from the worst fixing level since January 1981.

STERLING - Trading range against the dollar in 1986 is 1.5555 to 1.3795. November average 1.4225. Exchange rate index 68.8 against 65.5 at the opening and Monday's close.

There was no intervention by the Bank of England yesterday's fixing when the dollar was fixed at £1.0000 compared with £1.0000 on Monday. The US unit touched a six year low and the fixing was its lowest since December 1, not far from the worst fixing level since January 1981.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, Unit, % change, % change adjusted for inflation, Difference from base

CHANGING RATES AGAINST THE POUND

Table with columns: Country, Currency, Unit, % change, % change adjusted for inflation, Difference from base

£ IN NEW YORK

Table with columns: Dec 23, Latest, Previous, % change

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Dec 23, Spot, Forward, % change

STERLING INDEX

Table with columns: Dec 23, Previous, % change

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Dec 23, Spot, Forward, % change

CURRENCY RATES

Table with columns: Dec 23, Bank rate, Small Denomination, London Currency

EURO-CURRENCY INTEREST RATES

Table with columns: Dec 23, Short term, 7 days, Three Months, Six Months, One Year

CURRENCY MOVEMENTS

Table with columns: December 23, Bank of England, Morgan Guaranty

EXCHANGE CROSS RATES

Table with columns: Dec 23, C, S, M, Y, F, F, S, H, F, L, C, S, B, F

OTHER CURRENCIES

Table with columns: Dec 23, £, \$

CURRENCY FUTURES

Table with columns: Dec 23, Spot, 1-month, 3-month, 6-month, 12-month

MONEY MARKETS

Rates steady on trade figures

A LARGER than expected November UK visible trade deficit of £1.03bn had little impact in quiet trading on the London money market yesterday. Three-month interbank bank rate slightly to 11 1/4 per cent from 11 1/8 per cent, and dealers said they expected London rates to remain steady in spite of the recent improvement in the popularity of the Government, and the improvement by sterling to above \$1.45. The market was very quiet, but day-to-day credit conditions pushed up the rate of call money in the afternoon, after the Bank of England provided less help to the market than the underlying shortage suggested.

FT LONDON INTERBANK FIXING

Table with columns: Dec 23, 3 months, 6 months, 9 months, 12 months

UK clearing bank base lending rate 11 per cent since October 15

quiet, but day-to-day credit conditions pushed up the rate of call money in the afternoon, after the Bank of England provided less help to the market than the underlying shortage suggested.

MONEY RATES

Table with columns: Dec 23, Overnight, One Month, Two Months, Three Months, Six Months, Lombard

NEW YORK

Table with columns: Dec 23, Overnight, One Month, Two Months, Three Months, Six Months, Lombard

LONDON MONEY RATES

Table with columns: Dec 23, Overnight, 7 days, One Month, Three Months, Six Months, One Year

IN AMSTERDAM

In Amsterdam the Dutch Central Bank set a new target of 11 to 12 per cent for money creation for a two-year period from February 1988. This revises the target of 5.5 to 6 per cent set for one year last year.

IN FRANKFURT

In Frankfurt the West German Bundesbank offered currency swaps to commercial banks, in very tight end of year credit conditions. Call money was around 5.25 to 5.50 per cent, and touched 5.60 per cent, above the Bundesbank's Lombard lending rate of 5.50 per cent. There was some doubt about the willingness of the banks to take up the authorities offer however, because an agreement would run until December 29, and might turn out to be expensive, for technical reasons.

IN BRUSSELS

In Brussels the European Central Bank said that from January 1 the discount rate for loans to commercial and savings banks will be abolished. A statement from the central bank said that given developments in the domestic credit market, the discount rate has gradually lost its ability to influence interest rates.

IN STOCKHOLM

In Stockholm the Swedish Riksbank said that it would raise its discount rate from 10 to 11 per cent from January 1, 1987. The Riksbank said that it was doing this to help to reduce inflation.

FINANCIAL FUTURES

Gilts shrug off trade data

THE LONG term gilt futures contract maintained a reasonable volume level of nearly 9,000 on the London International Financial Futures Exchange yesterday. It opened weaker at 111-08 for March delivery, and touched a low of 110-22 as starting showed a slightly weaker trend in the morning. A larger than expected UK visible trade deficit of £1.03bn in November, compared with £1.03bn in October, also depressed gilt futures. After taking account of invoice earnings the current account deficit was estimated at £222m, after a revised

shortfall of £35m in October. At the same time the agreement by ministers from the Organisation of Petroleum Exporting Countries, to limit oil production, underpinned the pound and eased fears about a possible fall in the value of sterling in the New Year.

The March long gilt touched a peak of 111-10, and closed at 111-08 compared with 111-11 on Monday. Three-month sterling deposits for March delivery opened unchanged at 88.50, but this was the day's high. It closed at 88.50, after trading at a very narrow range, reflecting uncertainty about the future direction of London interest rates.

LIFFE LIABILITIES FUTURES OPTIONS

Table with columns: Series, Call, Put, Last, Vol, % chg

LIFFE US TREASURY BOND FUTURES OPTIONS

Table with columns: Series, Call, Put, Last, Vol, % chg

LIFFE FTSE 100 INDEX FUTURES OPTIONS

Table with columns: Series, Call, Put, Last, Vol, % chg

LIFFE £5 OPTIONS

Table with columns: Series, Call, Put, Last, Vol, % chg

LIFFE £100 £5 OPTIONS

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EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, Vol, Last, Vol, Last, Vol, Last

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Advertisement for Morgan Stanley International with text: 'Best Wishes for the New Year and a Merry Christmas', 'This advertisement appears as a matter of record only.', 'MORGAN STANLEY INTERNATIONAL', 'December, 1986'

LONDON SHARE SERVICE

Table containing various financial data including 'BRITISH FUNDS', 'AMERICANS-Cont.', 'CANADIANS', 'BANKS, HP & LEASING', 'INT. BANK AND OSEAS GOVT. STK AND ISSUES', 'CORPORATION LOANS', 'COMMONWEALTH & AFRICAN LOANS', 'FOREIGN BONDS & RAILS', and 'AMERICANS'. Each section lists stock symbols, prices, and other financial metrics.

Table containing 'BUILDING, TIMBER, ROADS-Cont.', 'DRAPERY & STORES-Cont.', 'ELECTRICALS', 'CHEMICALS, PLASTICS', 'DRAPERY AND STORES', and 'HOTELS AND CATERERS'. Each section lists stock symbols, prices, and other financial metrics.

Table containing 'ENGINEERING-Continued' and 'INDUSTRIALS-Continued'. Each section lists stock symbols, prices, and other financial metrics.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, bid, offer, and volume.

INSURANCES

Table of insurance companies such as Royal Indemnity and Commercial Union Assurance, listing their stock prices.

PROPERTY

Table of property-related stocks including companies like British Land and National Westminster, with columns for stock price and volume.

LEISURE

Table of leisure and entertainment stocks such as British Telecommunications and British Airways.

PROPERTY—Continued

Continuation of property stocks table, listing various real estate and construction companies.

SHIPPING

Table of shipping companies including British Overseas Airways and British Airways.

SHOES AND LEATHER

Table of shoe and leather goods companies such as Clarks and Dunlop.

SOUTH AFRICANS

Table of South African stocks including Anglo American and De Beers.

TEXTILES

Table of textile companies such as J. H. Raynes and J. & J. Textiles.

TOBACCO

Table of tobacco companies including British American Tobacco and J. R. Hambro.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks such as British Trustee and Finance.

INVESTMENT TRUSTS—Cont.

Continuation of investment trusts table, listing various investment funds.

FINANCE, LAND, etc

Table of finance and land-related stocks including various banks and financial institutions.

INVESTMENT TRUSTS—Cont.

Continuation of investment trusts table, listing various investment funds.

FINANCE, LAND, etc

Table of finance and land-related stocks including various banks and financial institutions.

OVERSEAS TRADERS

Table of overseas trading companies such as Anglo Siam and Anglo Dutch.

PLANTATIONS

Table of plantation companies including Guthrie & Co. and Guthrie & Co.

MINES

Table of mining companies such as Anglo American and De Beers.

Central Rand

Table of Central Rand mining stocks including Anglo American and De Beers.

East Rand

Table of East Rand mining stocks including Anglo American and De Beers.

Far West Rand

Table of Far West Rand mining stocks including Anglo American and De Beers.

Recent Issues & Rights

Table of recent issues and rights for various companies.

Regional & Irish Stocks

Table of regional and Irish stocks including various European and Irish companies.

FINANCE, LAND—Cont.

Continuation of finance and land-related stocks table, listing various banks and financial institutions.

OIL AND GAS

Table of oil and gas companies such as British Petroleum and Shell.

DIAMOND AND GEMSTONES

Table of diamond and gemstone companies including De Beers.

Central African

Table of Central African mining stocks including Anglo American and De Beers.

FINANCE

Table of finance-related stocks including various banks and financial institutions.

Overseas Traders

Table of overseas trading companies such as Anglo Siam and Anglo Dutch.

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Table of regional and Irish stocks including various European and Irish companies.

The following is a selection of Regional and Irish stocks, the latter being listed in British pounds.

Recent Issues & Rights Page 18 (International Edition Page 22)

This service is available to every Company listed in the Stock Exchange throughout the day for a fee of £375 per annum for each security.

LONDON STOCK EXCHANGE

Government bonds recoup early falls while ICI leads gains in firm equities

Account Dealing Dates

Table with columns: Dec 22, Dec 23, Dec 24, Dec 25, Dec 26, Dec 27, Dec 28, Dec 29, Dec 30, Dec 31

recently firm following the efforts of a large overseas buyer, attracted renewed support and closed 5 pence at 388p. Klipart Boston added 10 at 510p, while Mercury International, weak recently following Saul Steinberg's surprise decision to sell his 15 per cent stake in the company to a Canadian pension fund, hardened a few pence at 363p.

Lloyd's Broker C. E. Heath remained overshadowed by the staff defection to Citicorp and dropped further to 426p before closing a net 5 easier on balance at 427p. Steward Wrightson appreciated 5 at 444p. Royal, 5 up at 877p, led Composites higher, but the volume of business here was small. London United found support at 499p, up 2p.

The FT-SE 100 index closed 87 at 10632.1, and the FT Ordinary index, at 1294.7, added 8.5. Helping major market indices was a sharp gain in Imperial Chemical Industries, which was also firm in New York. Other leading issues to improve included British Televising, strongly which was after the group's recent disappointment.

Oil shares showed despite firmness in crude prices, the FT-SE 100 index fell 1.5 points to 10616.6. The FT Ordinary index added 0.7 to 1295.4. Sentiment in the gilt-edged market remains confident as the Christmas period approaches. The pound is now comfortably above what the market regards as danger levels, and investors are also encouraged by hopes that the US Federal Reserve may raise rates in the New Year in another move to boost the US economy.

Mid-morning losses of 3/8 or so in long gilts reflected a brief dip in the sterling index, underlining the market's nervousness towards sterling levels and their implications for domestic interest rates. However, the 2007 maturities showed yields of 10.8 per cent as the continuing market confidence in the downward trend of UK rates over the near-term.

Hambros wanted A James Capel "buy" recommendation induced good support for Hambros, which advanced steadily to close 15 higher at 245p; the rise was also accompanied by vague rumours that Mr John Gunn's British and Commonwealth group had acquired a stake in the merchant bank. BHI-Samuel, disappointing results.

ICI continued its recovery movement, closing a further 7 1/2 higher at 184p on a volume of 7.7m shares; sentiment here has been rejuvenated by a clutch of broker's circulars and newspaper 1987 investment recommendations. British Telecom, meanwhile, firmed 5 more making a two-day gain of 13 at 216p in response to news of the increased Conservative Party's latest opinion poll. STC met with revised speculative bringing and closed a 1p better at 174p. A few old speculative favourites among secondary issues showed up well, particularly Hazlem Protection which closed 5 dearer at 120p. Pressac added 10 at 171p and found support at 214p at 56p.

FINANCIAL TIMES STOCK INDICES table with columns: Dec 23, Dec 22, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, 1986, Since Completion

LONDON REPORT AND LATEST SHARE INDEX TEL. 01-246 9826

disappointing results. ICI continued its recovery movement, closing a further 7 1/2 higher at 184p on a volume of 7.7m shares; sentiment here has been rejuvenated by a clutch of broker's circulars and newspaper 1987 investment recommendations. British Telecom, meanwhile, firmed 5 more making a two-day gain of 13 at 216p in response to news of the increased Conservative Party's latest opinion poll. STC met with revised speculative bringing and closed a 1p better at 174p. A few old speculative favourites among secondary issues showed up well, particularly Hazlem Protection which closed 5 dearer at 120p. Pressac added 10 at 171p and found support at 214p at 56p.

The acquisition of Harvard Capital, a New York-based financial communications group, which entails a share placing, saw WFP move up 15 late to 600p. Elsewhere, USM stock Trade Franchise advanced 5 more to 180p. Business in the Property sector was thin, but prices needed higher, though Estates adding 1 to 181p and Greycoat improving a couple of pence to 248p. Edge's heavyweights, Gold, West, Leeds, 259 1/2 and Ramolettos, 237 1/2, fell a half-point and 1/4 respectively, while smaller-priced issues showed greater strength. Brierley's closed 3 cheaper at 400p, and added 3 to 888p. Brierley's rose 7 higher at 800p.

Buyers were around again of Royal Mail and, in a thin market, the shares rose 7 to 110p. Expectations of news shortly of property sales—tenders for the two sites offered are currently under consideration—helped to lift Royal's shares further to 141p. Similar movements were recorded by S. Lytas, at 123p, and B. Beales at 200p.

China and Eastern Investment continued in fashion at 125p, up 5, while the Warrants rose a similar amount to 75p. US-listed Genesee Atlantic Securities were suspended at 190p at the company's request following an approach which may, or may not, lead to a bid. Smaller-priced Financial Trusts moved irregularly with Early's at 141p, further to 141p. Similar movements were recorded by S. Lytas, at 123p, and B. Beales at 200p.

The Oil majors held steady despite Press reservations about the latest OPEC agreement. British Petroleum were finally unchanged at 714p, while Shell settled 3 easier at 879p. British, one of the sector's best performers recently, eased 1 1/2 to 188 1/2p and Enterprise were a similar amount off at 178p. Hopes that the sector would be included in New Year recommendations induced support of selected Overseas Traders. Lapsair staged another spirited revival and gained 6 to 341p while Hargraves and Crossfield rose 8 to 455p. Further consideration of Borsari Tea's residential development in the London docklands area lifted the price of the shares 1/4 to 210.

NEW HIGHS AND LOWS FOR 1986 table with columns: NEW HIGHS (205), NEW LOWS (17), AMERICANS (1), BANKS (3), BREWERS (1), BUILDINGS (4), CHEMICALS (2), STORES (4), ELECTRICALS (5), ENGINEERING (1), FOODS (5), INDUSTRIALS (14), INSURANCE (3), LEISURE (1), NEWSPAPERS (2), NEWSPAPERS (2), PAPER (2), PROPERTY (4), TEXTILES (3), TRUSTS (3), OILS (4), PLANTATIONS (1), MINES (3)

offer for Carr Boyd, effected via a share-and-cash deal involving Queen Margaret Gold, values the former at around AS\$7.6m, while the bid for Hill, considering 12 of two shares in Spargos and 10c cash share in Spargos, Hill at AS\$5m. per share values. Hill and Spargos were unchanged at 25p.

Traded Options In contrast to recent sessions in Traded Options, activity was directed away from British Gas. Instead, operators displayed fresh enthusiasm for positions in British Telecom, 4,000 call puts, and 14 puts. Gas attracted 2,414 calls and 1,542 puts. Above average interest was also evident for GEC and Camellated Gold Fields, GEC recorded 3,430 and 1,232 calls respectively. Total contracts transacted yesterday amounted to 25,748.

Traditional Options First dealings Dec 15 Jan 5 Jan 19 Last dealings Jan 2 Jan 16 Jan 30 Last declaration Mar 18 Apr 7 Apr 23 For Settlement Mar 30 Apr 13 May 5 For rate indications see end of Unit Trust Service Money was given call by the call of Bankers, Berkeley and Hay Hill, Abaco, London Securities, Bernard Matthews, London Investment Trust, Amstar, Anglo Irish, GEC, Phoenix, British Telecom, Johnson and Pirth Brown, J. C. Lilley, Royal Insurance, J. E. England, J. Williams, Irish Distillers, Hawley Group, Bussar, F. O. O'Brien, J. B. Penon, Fidelity, Conifer, North Kalguri, Minerals, 50p, up 13 and 6 respectively, following the bids from Mr Ian Joyce's Coronet Group; the

TRADING VOLUME IN MAJOR STOCKS table with columns: Stock, Volume, Closing Price, Day's Change, Volume, Closing Price, Day's Change

FT-ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS table with columns: Index No., Day's Change, Est. Excess Yield, Div. Yield, P/E Ratio, Index No., Index No., Index No., Index No.

FIXED INTEREST table with columns: Index No., Day's Change, Day's High, Day's Low, Dec 22, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, 1986, Year ago (approx.)

PRICE INDICES table with columns: Index No., Day's Change, Day's High, Day's Low, Dec 22, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, 1986, Year ago (approx.)

LONDON TRADED OPTIONS

LONDON TRADED OPTIONS table with columns: Option, Calls, Puts, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec

RISES AND FALLS YESTERDAY

RISES AND FALLS YESTERDAY table with columns: British Funds, Corporations, Dominion and Foreign Bonds, Financial and Properties, Oils, Plantations, Nines, Others

LONDON RECENT ISSUES

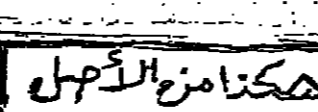
LONDON RECENT ISSUES table with columns: Issue, Amount, Latest Date, 1986, Stock, Closing Price, + or -, Net, Dividend, P/E

FIXED INTEREST STOCKS

FIXED INTEREST STOCKS table with columns: Issue, Amount, Latest Date, 1986, Stock, Closing Price, + or -

"RIGHTS" OFFERS

"RIGHTS" OFFERS table with columns: Issue, Amount, Latest Date, 1986, Stock, Closing Price, + or -



WORLD STOCK MARKETS

دولار

AUSTRIA

Table with columns: Dec. 23, Price, +/-, Stock names like Creditanstalt, Gessner, etc.

GERMANY

Table with columns: Dec. 23, Price, +/-, Stock names like Allianz, Bayer, etc.

NORWAY

Table with columns: Dec. 23, Price, +/-, Stock names like Bergesen Bank, Hordaland Energy, etc.

AUSTRALIA (continued)

Table with columns: Dec. 23, Price, +/-, Stock names like Gen. Prop. Trust, Hartwood Energy, etc.

JAPAN (continued)

Table with columns: Dec. 23, Price, +/-, Stock names like Dai Nippon Bank, Dai Nippon Ind., etc.

CANADA

TORONTO

Table with columns: Dec 23, High, Low, Close, Stock names like Alcan, Amco, etc.

HONG KONG

Table with columns: Dec. 23, Price, +/-, Stock names like Bank East Asia, Cathay Pacific, etc.

SWITZERLAND

Table with columns: Dec. 23, Price, +/-, Stock names like Adia Int'l, Alusuisse, etc.

ITALY

Table with columns: Dec. 23, Price, +/-, Stock names like Banco Com., Eni, etc.

FRANCE

Table with columns: Dec. 23, Price, +/-, Stock names like Air France, Bouygues, etc.

DENMARK

Table with columns: Dec. 23, Price, +/-, Stock names like Danfoss, Grundfos, etc.

NETHERLANDS

Table with columns: Dec. 23, Price, +/-, Stock names like ADF Holding, AZCO, etc.

FINLAND

Table with columns: Dec. 23, Price, +/-, Stock names like Amer., KOP, etc.

SPAIN

Table with columns: Dec. 23, Price, +/-, Stock names like Banco Com., Eni, etc.

JAPAN

Table with columns: Dec. 23, Price, +/-, Stock names like Dai Nippon Bank, Dai Nippon Ind., etc.

SINGAPORE

Table with columns: Dec. 23, Price, +/-, Stock names like Overseas Chinese, Singapore Free Press, etc.

SOUTH AFRICA

Table with columns: Dec. 23, Price, +/-, Stock names like Anglo Am., Anglo S.A., etc.

NEW YORK

Table with columns: Dec 22, Dec 21, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, 1986

INDICES

Table with columns: Dec. 23, Dec. 22, Dec. 21, Dec. 20, Dec. 19, Dec. 18, Dec. 17, Dec. 16, Dec. 15, Dec. 14, Dec. 13, Dec. 12, Dec. 11, Dec. 10, Dec. 9, Dec. 8, Dec. 7, Dec. 6, Dec. 5, Dec. 4, Dec. 3, Dec. 2, Dec. 1, 1986

TRADING VOLUME IN MAJOR STOCKS

Table with columns: Stock, Volume, Value, % of Total

RISERS AND FALLS YESTERDAY

Table with columns: Stock, Price, Change

OVER-THE-COUNTER

Table with columns: Stock, Price, Change

NYSE COMPOSITE CLOSING PRICES

Table with columns: Dec 23, Dec 22, Dec 21, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, 1986

NYSE-Consolidated 1500 Actives

Table with columns: Stock, Price, Change

LONDON

Table with columns: Stock, Price, Change

TOKYO

Table with columns: Stock, Price, Change

BRUSSELS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

OFFERS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

FOREIGN STOCKS

Table with columns: Stock, Price, Change

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# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month	Low	Stock	Dr. Yld.	P/E	100s High	Low	High	Dr. Yld.	P/E	100s High	Low	High	Dr. Yld.	P/E	100s High
151	4.18	AAR	6	4	18	166	20	20	26	26	26	26	26	26	26
152	4.18	ADP	10	4	18	166	20	20	26	26	26	26	26	26	26
153	4.18	ADG	10	4	18	166	20	20	26	26	26	26	26	26	26
154	4.18	ADK	10	4	18	166	20	20	26	26	26	26	26	26	26
155	4.18	ADL	10	4	18	166	20	20	26	26	26	26	26	26	26
156	4.18	ADM	10	4	18	166	20	20	26	26	26	26	26	26	26
157	4.18	ADN	10	4	18	166	20	20	26	26	26	26	26	26	26
158	4.18	ADO	10	4	18	166	20	20	26	26	26	26	26	26	26
159	4.18	ADP	10	4	18	166	20	20	26	26	26	26	26	26	26
160	4.18	ADQ	10	4	18	166	20	20	26	26	26	26	26	26	26
161	4.18	ADR	10	4	18	166	20	20	26	26	26	26	26	26	26
162	4.18	ADS	10	4	18	166	20	20	26	26	26	26	26	26	26
163	4.18	ADT	10	4	18	166	20	20	26	26	26	26	26	26	26
164	4.18	ADU	10	4	18	166	20	20	26	26	26	26	26	26	26
165	4.18	ADV	10	4	18	166	20	20	26	26	26	26	26	26	26
166	4.18	ADW	10	4	18	166	20	20	26	26	26	26	26	26	26
167	4.18	ADX	10	4	18	166	20	20	26	26	26	26	26	26	26
168	4.18	ADY	10	4	18	166	20	20	26	26	26	26	26	26	26
169	4.18	ADZ	10	4	18	166	20	20	26	26	26	26	26	26	26
170	4.18	ADAA	10	4	18	166	20	20	26	26	26	26	26	26	26
171	4.18	ADAB	10	4	18	166	20	20	26	26	26	26	26	26	26
172	4.18	ADAC	10	4	18	166	20	20	26	26	26	26	26	26	26
173	4.18	ADAD	10	4	18	166	20	20	26	26	26	26	26	26	26
174	4.18	ADAE	10	4	18	166	20	20	26	26	26	26	26	26	26
175	4.18	ADAF	10	4	18	166	20	20	26	26	26	26	26	26	26
176	4.18	ADAG	10	4	18	166	20	20	26	26	26	26	26	26	26
177	4.18	ADAH	10	4	18	166	20	20	26	26	26	26	26	26	26
178	4.18	ADAI	10	4	18	166	20	20	26	26	26	26	26	26	26
179	4.18	ADAJ	10	4	18	166	20	20	26	26	26	26	26	26	26
180	4.18	ADAK	10	4	18	166	20	20	26	26	26	26	26	26	26
181	4.18	ADAL	10	4	18	166	20	20	26	26	26	26	26	26	26
182	4.18	ADAM	10	4	18	166	20	20	26	26	26	26	26	26	26
183	4.18	ADAN	10	4	18	166	20	20	26	26	26	26	26	26	26
184	4.18	ADAO	10	4	18	166	20	20	26	26	26	26	26	26	26
185	4.18	ADAP	10	4	18	166	20	20	26	26	26	26	26	26	26
186	4.18	ADAQ	10	4	18	166	20	20	26	26	26	26	26	26	26
187	4.18	ADAR	10	4	18	166	20	20	26	26	26	26	26	26	26
188	4.18	ADAS	10	4	18	166	20	20	26	26	26	26	26	26	26
189	4.18	ADAT	10	4	18	166	20	20	26	26	26	26	26	26	26
190	4.18	ADAU	10	4	18	166	20	20	26	26	26	26	26	26	26
191	4.18	ADAV	10	4	18	166	20	20	26	26	26	26	26	26	26
192	4.18	ADAW	10	4	18	166	20	20	26	26	26	26	26	26	26
193	4.18	ADAX	10	4	18	166	20	20	26	26	26	26	26	26	26
194	4.18	ADAY	10	4	18	166	20	20	26	26	26	26	26	26	26
195	4.18	ADAZ	10	4	18	166	20	20	26	26	26	26	26	26	26
196	4.18	ADBA	10	4	18	166	20	20	26	26	26	26	26	26	26
197	4.18	ADBB	10	4	18	166	20	20	26	26	26	26	26	26	26
198	4.18	ADBC	10	4	18	166	20	20	26	26	26	26	26	26	26
199	4.18	ADBD	10	4	18	166	20	20	26	26	26	26	26	26	26
200	4.18	ADBE	10	4	18	166	20	20	26	26	26	26	26	26	26



NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Main table for NYSE Composite Closing Prices, listing various stocks with columns for stock name, price, and change.

Table for AMEX Composite Closing Prices, listing various stocks with columns for stock name, price, and change.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Table for Over-the-Counter prices, listing various stocks with columns for stock name, price, and change.

